

DOCKETED

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BUSINESS MEETING
 BEFORE THE
 CALIFORNIA ENERGY COMMISSION

In the Matter of:)
) 20-BUSMTG-01
 Business Meeting)
 _____)

REMOTE ACCESS ONLY

The California Energy Commission's December 22, 2020 Business Meeting will be held remotely, consistent with Executive Orders N-25-20 and N-29-20 and the recommendations from the California Department of Public Health to encourage physical distancing to slow the spread of COVID-19. The public is able to participate and observe the meeting consistent with the direction in these Executive Orders. Instructions for remote participation can be found in the notice for this meeting and as set forth below in this agenda.

TUESDAY, DECEMBER 22, 2020

1:00 P.M.

Reported by:
 Martha Nelson

APPEARANCES

Commissioners (Via Remote)

David Hochschild, Chair
Janea Scott, Vice Chair
Karen Douglas
Andrew McAllister
Patricia Monahan

Staff Present: (Via Remote)

Drew Bohan, Executive Director
Darcie Houck, Chief Counsel
Noemi Gallardo, Public Advisor

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4. Modification of Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Publicly Owned Electric Utilities (16-RPS-03).	42
Proposed resolution to adopt a Negative Declaration under the California Environmental Quality Act (CEQA), and also to adopt modifications to the existing regulations establishing enforcement rules and procedures for the Renewables Portfolio Standard for local publicly owned electric utilities, in Title 20, California Code of Regulations (CCR), sections 3201, 3202, 3204 - 3208, and 1240, and address provisions required by Senate Bill (SB) 350 (Stats. 2015, ch. 547), SB 1393 (Stats. 2016, ch. 677), SB 100 (Stats. 2018, ch. 312), and SB 1110 (Stats. 2018, ch. 605). Contact: Katharine Larson.	
a. NEGATIVE DECLARATION. Consideration for possible adoption of the Negative Declaration for Modification of Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly	

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Owned Electric Utilities. This proposed adoption comes after a 30-day public comment period necessary to comply with CEQA guidelines.

- b. ENFORCEMENT PROCEDURES FOR THE RENEWABLES PORTFOLIO STANDARD FOR LOCAL PUBLICLY OWNED ELECTRIC UTILITIES. Proposed adoption of amendments to Title 20, CCR, sections 3201, 3202, 3204 -3208, and 1240 implementing, interpreting, and making specific several provisions of Public Utilities Code (PUC) sections 399.13, 399.15, 399.16, 399.18, 399.30, and 399.33. The rulemaking also updates other aspects of the program to facilitate implementation and improve clarity. The proposed action is taken under the authority of sections 25213 and 25218(e) of the Public Resources Code and section 399.30 of the PUC. This proposed action comes after 45-day and three subsequent 15-day public comment periods.

5. Energy Conservation Assistance Act-Education Subaccount (ECAA-Ed) Competitive Loan Program, PON-19-101. Proposed resolutions approving two ECAA-Ed loans to local educational agencies (LEAs) at zero percent interest to finance energy efficiency and renewable energy projects. Program Opportunity Notice 19-101 evaluated applications from LEAs on a competitive basis based on priority criteria: number of students, geographic region, percent of students eligible for free or reduced-price meals, and energy savings. (Clean Energy Job Creation Fund)
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a. Pursuant to Government Code Section 11126(e), the CEC may adjourn to closed session with its legal counsel to discuss any of the following matters to which the CEC is a party:	
i. <i>In the Matter of U.S. Department of Energy (High Level Waste Repository) (Atomic Safety Licensing Board, CAB-04, 63-001-HLW); State of California v. United States Department of Energy (9th Cir. Docket No. 09-71014)</i>	
ii. <i>Communities for a Better Environment and Center for Biological Diversity v. Energy Resources Conservation and Development Commission, and California State Controller, (Alameda County Superior Court, Case No. RG13681262)</i>	
iii. <i>State Energy Resources Conservation and Development Commission v. Electricore, Inc. and ZeroTruck (Sacramento County Superior Court, Case No. 34-2016-00204586)</i>	
iv. <i>Natural Resources Defense Council, Inc., et al. v. United States Department of Energy (Federal District Court, Northern District of California, Case No. 17-cv03404)</i>	
v. <i>In re: PG&E Corporation and In re: Pacific Gas and Electric Company (United States Bankruptcy Court, Northern District of California, San Francisco Division, Case No. 19-30088)</i>	

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- vi. *State Energy Resources Conservation and Development Commission v. HyGen Industries, Inc.* (Sacramento County Superior Court, Case No. 34-2019-00252543)
 - vii. *Olson-Ecologic Testing Laboratories, LLC v. CEC.* (Orange County Superior Court Case No. 30-2019-01115513)
 - viii. *Interlink Products International, Inc. v. Xavier Becerra, Drew Bohan, Melissa Rae King* (United States District Court for the District of New Jersey Case No: 2:20-cv-10566)
 - ix. *Southern California Gas Company v. California State Energy Resources Conservation and Development Commission* (Orange County Superior Court Case No: 30-2020-01152336-CU-WM-CXC).
- b. Pursuant to Government Code Section 11126(e), the Energy Commission may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant the initiation of litigation, or that constitute a significant exposure to litigation against the CEC, which might include personnel matters.

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1 P R O C E E D I N G S

2 DECEMBER 22, 2020

1:00 p.m.

3 CHAIR HOCHSCHILD: Good afternoon and welcome
4 everybody to the final business meeting of the Energy
5 Commission for 2020. Everyone should give themselves a pat
6 on the back to get to the end of this extraordinary
7 challenging year, so happy holidays to everyone, as well.

8 With that, let's begin.

9 Commissioner Monahan, if you could lead us in the
10 Pledge of Allegiance?

11 (The Pledge of Allegiance is recited.)

12 CHAIR HOCHSCHILD: Thank you, Commissioner.

13 Again, you know, with COVID, this is sort of the
14 darkest hour before the dawn. And while it's very
15 promising, the vaccines are out and, you know, first
16 responders and so forth are getting vaccinated, we are
17 still in the middle of a very intense surge. So please
18 continue to exercise vigilance, wear your mask, wash your
19 hands frequently, keep your distance, and let's all stay
20 safe.

21 Today's business meeting is being held remotely
22 without a physical location for any participant, consistent
23 with Executive Orders N-25-20 and N-29-20, and the
24 recommendations from the California Department of Public
25 Health, to encourage social distancing in order to slow the

1 spread of COVID-19. The public may participant and/or
2 observe the meeting, consistent with the direction of these
3 Executive Orders. Instructions for remote participation
4 can be found in the notice for this meeting as set forth on
5 the agenda posted to the CEC website link for this business
6 meeting.

7 We're using a combination of Zoom and Verizon for
8 remote access. In case Zoom shuts down today, we'll
9 continue the meeting with our Verizon phone line. Call
10 Verizon, 1 (888) 823-5065. The pass code is "business
11 meeting."

12 The Energy Commission values public participation
13 and stakeholder engagement. Pursuant to California Code of
14 Regulations Title 20, 1104(e), any person may make oral
15 arguments on any agenda item. To ensure the orderly
16 conduct of business, such comments will be limited to three
17 minutes per person as to each item listed on the agenda
18 that will be voted on today. Any person wishing to comment
19 on information items or reports, which are non-voting
20 items, shall reserve their comment for the general public
21 comment portion of the meeting agenda. And you'll have
22 three minutes total to state all of their remaining
23 comments.

24 I want to remind everybody. We are very mindful
25 of California's economic recovery efforts. And today we're

1 seeking over \$1.2 million in grants and funding which will
2 help support our economic recovery, as well as advance our
3 clean energy future.

4 With that, let's turn to item one to recognize
5 and commend Gabe Herrera for his contributions to the
6 Energy Commission. I will now read this, Resolution 20-
7 1222-1.

8 "Whereas Gabriel Herrera has worked for the State of
9 California for 34 years, first for 7 years as an
10 Engineer at the California Air Resources Board where
11 he attended McGeorge School of Law at night, and then
12 for 27 years in the California Energy Commission's
13 Chief Counsel's office,

14 "And whereas, Gabe successfully represented the CEC in
15 challenges to various contract solicitations and
16 awards and protests before the Department of General
17 Services and helped initiate collection actions on
18 defaulted CEC loans,

19 "Whereas, Gabe worked on intellectual property issues,
20 including working with the CEC's Media Office in
21 establishing the initial term of use for CEC's
22 national website, filing copyright applications on
23 CEC's behalf, and jointly serving as the CEC's
24 representative on the Natural Resource Agency's
25 Intellectual Property and Legal Team,

1 "And whereas, Gabe's responsibility expanded to
2 include work on personnel and employment law-related
3 matters where he successfully represented the CEC in
4 appeals before the State Personnel Board and the
5 Department of Personnel Administration, and in
6 complaints filed with the Department of Fair
7 Employment and Housing,

8 "And whereas, Gabe's responsibilities also expanded to
9 include work on the CEC's various renewable energy
10 programs and renewable energy renewable portfolio
11 standard, where he worked closely with the
12 Commission's executive office and technical staff to
13 implement the programs,

14 "And whereas, one of Gabe's superior accomplishments
15 was recognized his work in recovery of approximately
16 \$634,000 from various Enron entities." Thank you for
17 that Gabe. "The CEC had awarded production incentives
18 to them and later learned the entities had
19 misrepresented their eligibility, given Enron's filing
20 for bankruptcy protection in 2001 following
21 California's energy crisis, the Attorney's General
22 Office was not interested in pursuing and State Law
23 claims against Enron based on the claims act, Gave was
24 able to negotiate a settlement for the recovery funds
25 as part of a Federal Energy Regulatory Commission

1 proceeding.

2 "In a press release in 2003, then Governor Gray Davis
3 said, 'I commend the California Energy Commission for
4 its dogged determination in reclaiming the money with
5 interest, intervening in two proceedings before the
6 Federal Energy Regulatory Commission,'

7 "Whereas another of Gabe's superior accomplishment
8 awards was in recognition of his work on an ARRA-
9 funded program, and his work on a public awareness
10 campaign for the New Solar Homes Partnership and Go
11 Solar California. Regarding the latter, Claudia
12 Chandler, the CEC's Chief Deputy Director at that
13 time, acknowledged Gabe's work on a related agreement
14 with Wells Fargo, commented that, 'Wells has 15
15 lawyers on this project and we have Gabe, Amy, and
16 Rachel.'" What a better team? Way to go.

17 "Whereas Gabe's colleagues from the Chief Counsel's
18 Office will miss his tremendous experience, maybe a
19 little of his constant pranks and teasing, they also
20 will now have a much easier time in the annual pirate
21 gift exchange, and the CEC will cooperate fully with
22 the U.S. Government to clean up the superfund site,
23 you know, his office.

24 "Therefore, let it be resolved that the CEC hereby
25 recognizes and commends Gabe Herrera for this great

1 contributions to the CEC and the people of the state
2 of California, and wishes him all the best in his
3 future endeavors.”

4 And, Gabe, let me say, I asked to read this
5 because I have had the privilege to work with you very
6 closely, particularly when I was lead Commissioner on
7 renewables. And, Gabe, I just want to say, you’re one of a
8 kind. You bring a dedication. You’re one of the hardest
9 working people in state government, incredibly committed,
10 incredibly ethical, decent. And I am having trouble with
11 your retirement. I can’t imagine the Energy Commission
12 without you.

13 And I think, you know, in your next chapter, you
14 have a lot to contribute in many, many ways. But I think,
15 you know, one thing we’ve seen where Staff, like yourself,
16 have been here a long time, the youngins’ come in and see
17 what it looks like to be successful at the Energy
18 Commission, and the hard work and dedication, and how that
19 could pay off. And so I really hope you take personal
20 pride in the incredible achievements that you’ve been a
21 part of here. I’m really proud to be able to congratulate
22 today and wish you well.

23 And with that, let’s turn, I guess to Staff
24 comments first, and then Commissioner; right, Noemi?

25 MS. GALLARDO: That’s correct. This is Noemi

1 Gallardo, the Public Adviser.

2 So we do have two people who would like to speak.

3 So first off, let me clarify that we're going to give them
4 up to one minute each to speak. We will start with Laurie
5 ten Hope, who, I believe, is coming through Zoom.

6 Laurie, I see you. Go ahead. Laurie, you're
7 muted. Please make sure you un-mute on your screen.

8 MS. TEN HOPE: Okay.

9 MS. GALLARDO: There you go.

10 MS. TEN HOPE: Can you hear me now?

11 CHAIR HOCHSCHILD: Yeah, we can hear you.

12 MS. TEN HOPE: I'm so sorry. Okay. Wonderful.

13 Thank you for this opportunity to acknowledge and
14 thank Gabe. We heard his many accomplishments. But for
15 ERDD (phonetic), it's pretty much all about ethics. And I
16 want to just acknowledge the role that Gabe had in, first,
17 guiding us through EPIC authorization a decade ago, and
18 then bringing this home for EPIC renewal earlier this year.

19 Gabe has an incredible attention to detail,
20 meaning he cross-references everything to ensure accuracy
21 and ensure we're adhering to the multitude of CPUC
22 decisions and requirements. He would often challenge us,
23 but it was always in a gentle and respectful way, to make
24 sure that what we were saying and putting forth was really
25 our best information. And, as mentioned, he has a much

1 appreciated sense of humor. So it was a fruitful
2 partnership. We're now set to continue our groundbreaking
3 research for another ten years.

4 And I just want to thank you, Gabe, on behalf of
5 all of ERDD and wish you the best in your next chapter.

6 MS. GALLARDO: Thank you, Laurie.

7 So next up is Alan Ward. And Alan, I believe, is
8 coming through the Verizon phone line. So if we could open
9 up his line to speak?

10 MR. WARD: Yes. This is Alan. Can you hear me?

11 CHAIR HOCHSCHILD: Yeah, we can hear you.

12 MS. GALLARDO: Yes, we can.

13 MR. WARD: Okay. I've worked with Gabe for many
14 years in the Energy Commission's Chief Counsel's Office.
15 And it's a pleasure to say positive things about him in a
16 public format.

17 As an attorney, he is incredibly hardworking,
18 putting in long hours. He's thorough and always has a
19 great depth of knowledge, providing advice, also within the
20 historical context; you always get the full picture.

21 As a coworker, his office was right next to mine
22 all these years. He is a tremendous amount of fun and I've
23 really enjoyed getting to know him. I really appreciated
24 sharing stories of our families over all of these years.

25 Given how hard he has worked, Gabe, more than

1 most, has definitely earned his retirement. I just wish
2 him and his family all the best in this next great phase
3 for them.

4 Thank you.

5 CHAIR HOCHSCHILD: Alan, I didn't realize your
6 office was right next to Gave. My condolences for that.

7 MR. HERRERA: (Laughing.)

8 MS. GALLARDO: And then next up we have Darcie
9 Houck.

10 Darcie, feel free to turn on your video.

11 MS. HOUCK: Okay. Can you hear me now?

12 CHAIR HOCHSCHILD: Yeah, we can. We can hear
13 you.

14 MS. HOUCK: I just want to echo all the
15 statements that I've heard.

16 I met Gabe a long time ago. I was a junior
17 attorney when I first worked here during the energy crisis
18 from 2000 to 2005. And at that time he was, you know, just
19 really gracious in walking me through things, or if I had
20 questions, I could stop by his office. Again, we didn't
21 work together very long then. But now I'm back as the
22 Chief Counsel and he has just been invaluable to the office
23 and has worked on so many things in the short time that
24 I've been back. And you can count on him to step in and
25 help on just about anything. And he has been really great

16

1 at walking some of the junior attorneys through coming up
2 to speed on the renewables issues. In particular, he's
3 really helped mentor a lot of the folks in the office,
4 which is just really invaluable. And he is going to be
5 greatly missed.

6 So when you get bored with retirement and want to
7 come back as a retired annuitant, let us know. And we
8 really wish you the best and are going to miss you
9 tremendously, so thank you, Gabe.

10 CHAIR HOCHSCHILD: Thank you, Darcie.

11 Let's turn to -- before we go to Gabe, let's turn
12 to Commissioners for comment.

13 Maybe, Commissioner Douglas, would you want to
14 start?

15 COMMISSIONER DOUGLAS: Yes, I would. I would
16 love to start.

17 So I would also like to congratulate Gabe on his
18 retirement. I have had just a tremendous amount of respect
19 for Gabe and enjoyed working with Gabe over the years.

20 I second the sense of humor part of it. It's
21 been pretty fun to have Gabe in meetings and find ourselves
22 enjoying a good laugh of two in many of them.

23 I've also had a chance to work with Gabe on some
24 of the harder issues I've worked on in my time at the
25 Commission and it's been great.

1 So I want to thank him for his many years of
2 dedicated service at the Energy Commission, the long hours
3 he's worked. It used to be that if you needed an attorney
4 and it was after 7:00 p.m., you could usually find Gabe,
5 and that, right there in his office. And that made sense
6 because he's -- I don't know if there's a CEC program he
7 hasn't been tasked to work on at some point in time.

8 He's made really significant contributions to our
9 work and been integral to many of our successes, including
10 the EPIC proceedings that were mentioned, and the launch
11 and implementation of the RPS Program.

12 He's thorough. He's very, very, very detailed,
13 very detailed, and very straightforward and great to work
14 with.

15 In addition to some of the high-profile matters
16 he's worked on, he's also worked tirelessly behind the
17 scenes on personnel matters and other issues that really
18 don't get a lot of call-out but also require a tremendous
19 amount of integrity and empathy and discretion and hard
20 work and attention to detail and all of that. And so, you
21 know, we will miss Gabe.

22 Gabe, we'll miss you a lot and wish you well in
23 your retirement. And, anyway, thank you very much.

24 CHAIR HOCHSCHILD: Thank you, Commissioner
25 Douglas.

1 Any other Commissioners wishing to make a
2 comment?

3 Commissioner McAllister.

4 COMMISSIONER MCALLISTER: Yeah, just briefly.

5 Gabe, yeah, congratulations. I won't pile on too
6 much and repeat what everybody just said. And I think in
7 the last few years we haven't worked together quite as
8 much.

9 But when I first came to the Energy Commission,
10 it was in the middle of the ARRA period, and just lots to
11 talk about. And I was lead on renewables there for a bit.
12 And I just remember you just being a really positive
13 element in the room, and always very knowledgeable and
14 informed, and just straightforward and fun. And that's a
15 leadership quality. It's such an asset, really, to the CEC
16 and to the whole environment, you know, younger attorneys
17 and everything, as Darcie said.

18 So, anyway, it's been good to get to know you and
19 work alongside with you. And really wish you all the best
20 in, you know, quote unquote, "retirement." It sounds like
21 you have a little bit of work to clean out your office.
22 You're, maybe, not quite gone yet, I take it.

23 CHAIR HOCHSCHILD: That excavation is going to
24 require a while.

25 COMMISSIONER MCALLISTER: Yeah. But, in any

1 case, congratulations. And --

2 CHAIR HOCHSCHILD: Vice Chair Scott?

3 Oh, sorry.

4 COMMISSIONER MCALLISTER: -- hope to see you
5 soon.

6 CHAIR HOCHSCHILD: Let's go to Vice Chair Scott.

7 VICE CHAIR SCOTT: Yeah. I just kind of wanted
8 to pile on here, Gabe, with everyone else and just let you
9 know that I have the highest respect for your knowledge and
10 your expertise.

11 And I really enjoyed working with you on the
12 renewal of the EPIC Program. It's just, it's such a huge
13 deal. It's a huge win for the people of California to be
14 able to continue to move forward in all of the clean energy
15 work and entrepreneurship and innovation and science that
16 we do. And we couldn't have done that without you and your
17 amazing team helping us get that across the finish line.
18 And I know that's just one of many, many impactful things
19 that you will have left that make the state of California a
20 much better place.

21 And so I just really want to say thank you so
22 much to you for all of your excellent work. And I want to
23 wish you just the warmest wishes for a relaxing and,
24 hopefully, adventurous and fun retirement, until we pull
25 you back in to work with us a retired annuitant, so happy

20

1 retirement to you.

2 CHAIR HOCHSCHILD: Thank you, Vice Chair Scott.
3 Commissioner Monahan?

4 COMMISSIONER MONAHAN: Well, now I feel like I
5 wish I had worked more with Gabe. I feel like I didn't get
6 to benefit from Gabe's like, well, obviously, amazing
7 attorney skills, but actually it's the sense of humor that
8 I feel like I'm particularly bereft of experiencing.

9 So, Gabe, I think you do need to come back. And
10 I think we need to work together more closely. And I think
11 you need to show your sense of humor to me.

12 So thank you for all your years of service here
13 at the Energy Commission. It's really amazing to hear
14 everybody's compliments of you and just how wonderful you
15 were to work with. And it's a loss for us.

16 CHAIR HOCHSCHILD: Well said. Thank you,
17 Commissioners.

18 All right, Gabe, the floor is yours.

19 MR. HERRERA: So now I get to speak?

20 CHAIR HOCHSCHILD: Yes.

21 MR. HERRERA: Okay. So good morning, Chair, Vice
22 Chair, Commissioner Douglas, Commissioner McAllister.

23 Commissioner Monahan, I'm sorry we did not have a
24 chance to work together, but maybe as a retired -- who
25 knows.

1 First of all, I just want to put down the stories
2 that my office is a mess. It's turned into a superfund
3 site. I've been working on that.

4 And for my family members who may be
5 participating by Zoom, my wife Karen and my kids, Austin,
6 Julia, my office really isn't that dirty. It's not like
7 the office at home.

8 And so let me just say a couple things that I
9 wrote down. I feel choked up. I mean, this is kind of
10 sad, bittersweet to be retiring, but I'm really deeply
11 honored and humbled by the recognition and your kind words.

12 When I announced my retirement, I fully planned
13 to quietly slip away from the Energy Commission's Legal
14 Office without a lot of fanfare, just like a lot of my more
15 talented colleagues in the Legal Office have done. But
16 then, you know, Alan Ward planned this nice retirement
17 roast for me, and that was very enjoyable and very
18 considerate. And now, to be recognized at a business
19 meeting by Commissioner and the Commission, it's a really
20 nice surprise.

21 And it's nice that my family can join through
22 Zoom and see this and appreciate me sometimes by virtue of
23 what others have to say. Because sometimes at home, I feel
24 like I'm, you know, like perhaps my family doesn't
25 recognize me enough. Anyway, if you hear a lot of hooting

22

1 and hollering, it's probably my family members.

2 When I came to the CEC as a young attorney, I
3 really felt what I wanted to do was work at the Attorney
4 General's Office. I mean, I just didn't know any better;
5 right? And I thought my stop here was just going to be a
6 short pit stop on my way there. But I found second family
7 here at the CEC in the Energy Commission's Legal Office, a
8 team of very committed, knowledgeable attorneys that cared
9 about the environment and that cared about the public good.
10 And I found work that was challenging and appealed to my
11 technical interests and my technical background. And so I
12 never left. And that was over 27 years ago.

13 It's been a great run with a lot of great
14 individuals, both inside the Energy Commission's Legal
15 Office, and technical staff outside the Legal Office. I'm
16 so proud that, you know, I've been able to contribute to
17 the good work the Energy Commission has done and for
18 everything that it has been able to accomplish. And I'm
19 proud to have worked alongside just a lot of qualified,
20 innovative, super talented, and extraordinarily committed
21 individuals.

22 It's been a good run. It's been a privilege to
23 work here at the Energy Commission. And I just want to
24 thank you for the opportunity and the challenges and the
25 learning and the teamwork and the friendship. And I'm

1 going to miss a lot of folks here at the Energy Commission,
2 so thank you very much.

3 CHAIR HOCHSCHILD: Well said, Gabe. And your
4 absolutely right. You know, it is more than a job. It's a
5 mission. And I think we're all lucky to be on the team
6 together. And we're not going to let you go too far, so I
7 have some high hopes for your next chapter. All right.
8 Thank you, Gabe, and everyone.

9 With that, let's move on to item two, the
10 recognition and accommodation of Elizabeth Flores for her
11 contributions to the Energy Commission.

12 Let's turn to Darcie.

13 MS. GALLARDO: Darcie, you need to un-mute.

14 CHAIR HOCHSCHILD: We can see you, Darcie, but
15 are you double muted?

16 MS. HOUCK: Okay. Can you hear me now?

17 CHAIR HOCHSCHILD: Yes, we can.

18 MS. HOUCK: Okay. And for clarification, are you
19 asking that I read the resolution or will one of the
20 Commissioners be reading that?

21 MS. GALLARDO: Darcie, you're reading the
22 resolution.

23 MS. HOUCK: Okay. Hold on. Give me one moment.
24 I think I must have read this wrong. Okay. And I will
25 start here, that, you know, Liz has been an invaluable

1 member of our Chief Counsel's Office, working on a wide
2 range of issues. And the resolution that's before the
3 Commission is acknowledging the contributions of Elizabeth
4 Flores.

5 "Whereas Elizabeth "Liz" Flores worked in the
6 California Energy Commission's Chief Counsel's Office
7 for 22 years, and whereas, Liz contributed to the
8 success of many CEC efforts and programs, including
9 the ECAA Loan Program and its complicated bond
10 requirements, the Siting Division's Power Plant Peak
11 Workload contracts, the Food Production Investment
12 Program, the Renewable Energy for Agricultural
13 Program, and countless variety of contracts for the
14 CEC's Small Offices,

15 "And whereas, Liz successfully defended the CEC
16 against a legal challenge to one of the Siting
17 Division's contracts, an effort that took months of
18 research and ingenuity, and also successfully defended
19 the CEC against a big protest on moving services
20 contract,

21 "And whereas Liz earned numerous superior
22 accomplishment awards, as well as the respect and
23 admiration of her colleagues who will miss her wisdom,
24 leadership, unparalleled organizational skills, and
25 great sense of humor,

1 "And therefore, be it resolved that the CEC hereby
2 recognizes and commends Elizabeth Flores for her great
3 contributions to the CEC and the people of the state
4 of California and wishes her all the best in her
5 future endeavors."

6 I, also, would just like to specifically
7 recognize the work that Liz has done. This isn't in the
8 resolution part of it. But she really stepped up on the
9 ECAA to be our bonds counsel during that endeavor and did
10 an amazing job. And she does a lot of work in our office
11 for contracts that keep things going, like our Westlaw
12 (phonetic), to make sure that we're able to do our jobs,
13 and a lot of the things that aren't as exciting that have
14 to be done.

15 And without Liz, we wouldn't be able to do our
16 work in the Legal Office. And she has taken on a roll of
17 mentoring junior attorneys, as well as staff people in the
18 Contracts Program. And Liz just does so many things, I
19 can't even list them all off, that we're still trying to
20 figure out who's going to be doing.

21 And unlike Gabe's office, Liz's office is very
22 organized. And she's got all of her files transitioned to
23 SharePoint so that all of the attorneys can find them and
24 know where everything is.

25 So we just are going to miss you tremendously,

1 Liz. And we'll probably be calling you right along as we
2 need to. So thank you for everything.

3 MS. GALLARDO: All right, Chair, this is Noemi,
4 the Public Advisor. We do have a couple of folks who also
5 want to make comments here.

6 So first we'll start with Laurie ten Hope, who, I
7 believe, is coming through Zoom again.

8 MS. TEN HOPE: Hi Liz. ERDD does its best to
9 keep the Transaction Unit busy.

10 So -- but besides really thanking you for all the
11 work that you've done on EPIC and PIER, I especially want
12 to thank you for your help in launching the Food Production
13 Investment Program, affectionately known as FPIP. Your
14 role was super important to us in helping us research a new
15 program. It was our first Cap and Trade Program, figuring
16 out the documentation requirements for cap and trade,
17 reviewing the guidelines for the FPIP program, developing
18 new terms and conditions, reviewing applications, and
19 getting us all set up and finally reviewing the FPIP
20 agreements as they came through.

21 So I just want to thank you for the role to
22 really help us launch that program in a really speedy and
23 successful launch. It's been sort of a pride of the
24 division. And I want to thank you for your role and wish
25 you the best in your retirement. Have a lot of fun. I'm

27

1 sure you will.

2 MS. GALLARDO: This is Noemi again, the Public
3 Advisor. So Alan Ward is also going to make a comment.
4 He's on the Verizon line.

5 MR. WARD: Can you hear me?

6 MS. GALLARDO: So we'll open up your line, Alan.
7 Go ahead. Yes, we can hear you.

8 MR. WARD: Okay. Thank you. Again, this is Alan
9 Ward. And I've worked with Liz Flores for many years in
10 the Chief Counsel's Office at the Energy Commission.

11 She is one of the most organized, detail-
12 oriented, accomplished attorneys I have ever met. For
13 every complex issue she has faced she has a chart,
14 checklist, or other mechanism to make it easy to understand
15 and be able to communicate it and deal with it. She has
16 taught, advised, and served as a lead for all of the
17 transaction attorneys for many years.

18 As a coworker, she is just a wonderful person.
19 She is thoughtful, kind, funny. She really genuinely cares
20 about people and her coworkers in and outside of the
21 office.

22 While many people rightfully finally want to
23 enjoy many self-indulgences during their retirement years,
24 Liz is, instead, going to focus on how she can even
25 contribute more to her community, and has some fantastic

1 ways that she's got planned for doing that.

2 I just wish nothing but the best for her and her
3 family. And I will definitely miss working with her but I
4 am so happy for what she's going to be doing in retirement.

5 Thank you.

6 MS. GALLARDO: This is Noemi, the Public Advisor.
7 That was the last comment from Staff.

8 So, Chair, you can turn it over -- we'll turn it
9 over to you now.

10 CHAIR HOCHSCHILD: Yeah. Let's go to
11 Commissioners, starting with Commissioner Douglas.

12 COMMISSIONER DOUGLAS: All right. Well, Liz,
13 congratulations. And we will miss you so much. We want to
14 thank you for your many years of service to the Energy
15 Commission.

16 Liz, as has been noted, is an attorney's
17 attorney. She's got this incredible work ethic. She's
18 incredibly thorough. She's incredible. She works through
19 options and researches the options and presents them all in
20 this wonderful one-pager style that has become a model for
21 the Legal Office as they deal with Commissioners and high-
22 level management at the Energy Commission and help us make
23 decisions in a clear, concise, efficient, and effective
24 way.

25 She has been the lead attorney on very tricky

1 bond matters. She's been a resident expert for us on all
2 kinds of matters relating to contracts and finance. And we
3 just really appreciate Liz's hard work over the years, her
4 guidance and judgement and help with many, many types of
5 contracts and other agreements.

6 And so, you know, we'll miss you, Liz. I wish
7 you the best for your retirement.

8 Thank you.

9 CHAIR HOCHSCHILD: Thank you, Commissioner.

10 Let's go to Vice Chair Scott.

11 VICE CHAIR SCOTT: Yes. I would just like to say
12 how inspired I am by getting the opportunity, Liz, to work
13 with people like you. This stuff just doesn't go forward
14 without the amazing and dedicated, detail-oriented work
15 that you bring to the transactional, all the transactional
16 stuff that we do here at the Energy Commission. And it
17 gives us just this really solid and robust foundation to
18 launch the work that we're trying to accomplish from. And
19 we couldn't do it without folks like you.

20 And so I'm just, I'm so inspired by your
21 dedication and the amazing set of people that we get the
22 opportunity to work with. Again, you know, carrying out
23 work on behalf of the people of California.

24 And so I want to thank you, as well, for your
25 work. I feel like Alan left a little bit of a teaser in

1 there about what you'll be doing next. But I also really
2 want to wish you, also, a very restful and relaxing, but
3 also adventurous and fun retirement. And I'll say the same
4 thing I said to Gabe. Keep your eyes out for those retired
5 annuitant feelers because we'll probably be sending them
6 your way as well. So thank you so much for your work.

7 CHAIR HOCHSCHILD: Thank you, Vice Chair Scott.
8 Let's go to Commissioner McAllister.

9 COMMISSIONER MCALLISTER: Just super quick.
10 It's been a pleasure working with you, Liz, on,
11 particularly, the ECAA program, is where we probably most
12 intersected and worked together. Lot's of detail there. A
13 long history of that program. And it's just so invaluable
14 to have someone who is intimately familiar with the details
15 and the history and how everything has unfolded. And that
16 really, you know, in this day and age, it really matters.
17 You know, there's an inertia in any given program. And
18 that deep knowledge is really invaluable.

19 And the final thing I'll say and, perhaps, most
20 importantly is it's so clear that you have this ethical
21 core that's just paying attention to the right things at
22 all times, and just bringing that 360 degree view of
23 everything and all the different angles. And that's what
24 we obviously need in our, you know, our counsel, looking at
25 the legal side of things, but also just dedication

1 personally to the endeavors of the Energy Commission, it's
2 just such a great signal/example for everyone else at the
3 Commission. And just thank you for holding that banner
4 high and waiving it proudly. So we really appreciate all
5 your service.

6 CHAIR HOCHSCHILD: Thank you.

7 Commissioner Monahan?

8 COMMISSIONER MONAHAN: Well, I want to thank you
9 for all the work you've done with the Fuels and
10 Transportation Division. And, you know, we're navigating
11 some hard things right now, which you have helped in terms
12 of shepherding. And really just appreciate, as everybody
13 has said, your attention to detail. And you know, as we
14 try new strategies, the fact that you've been there kind of
15 helping us think through how to do this in the most robust,
16 legally robust way. So just thank you for your service.

17 And, again, if you want to, like Gabe, come on
18 back. Because we're not at the finish line yet with those
19 legalities, so we can use you maybe another six to nine
20 months. So I wish you all the best in your retirement.

21 CHAIR HOCHSCHILD: Thank you, Commissioner.

22 And, Liz, adding my thanks, as well, for all your
23 professionalism and dedication. Thank you. The floor is
24 yours, Liz.

25 MS. FLORES: Thank you so much, Commissioners,

1 Darcie, Alan, Laurie. It's hard to believe that it has
2 been over 22 years since I started work at the Energy
3 Commission. I didn't know at that time that this work
4 would be so meaningful. And to be a part of something so
5 important, it's been exciting, working on new programs, old
6 programs, everything from research, efficiency, renewables,
7 fuels.

8 And, of course, the best part has been working
9 with so many great people over many years and many
10 different programs. And I will really miss my coworkers in
11 the Legal Office, such a fantastic group of dedicated
12 people.

13 Thank you again.

14 CHAIR HOCHSCHILD: Thank you so much, Liz. We're
15 proud of you.

16 With that, let's turn to item three and recognize
17 and commend Chris Davis for his contributions to the Energy
18 Commission.

19 Carousel, I believe, you've got it from here.

20 MS. GORE: Thank you, Chair, Vice Chair, and
21 Commissioners. It is my honor and pleasure today to
22 recognize Chris Davis and read the resolution for Chris.

23 "Whereas, Chris graduated from UC Riverside as an
24 acting major in 1975 and whereas Chris began his
25 career in local news and became a news director before

1 he headed to the Department of Consumer Affairs in
2 2000, and whereas he continued exercising his vocals,
3 spending many evenings as a DJ, and whereas Chris
4 served as a Power Plant Information Officer from 2001
5 to 2006 with the Media and Public Communications
6 Office at the Energy Commission, and whereas he joined
7 the California State Water Resources Control Board in
8 2006, one of the six branches of the Environmental
9 Protection Agency, and whereas Chris returned to the
10 Energy Commission with the Efficiency Division in
11 2007, and whereas he has accumulative experience to
12 join the Siting, Transmission, and Environmental
13 Division in 2008 to 2020, where he concluded his
14 stellar career,

15 "And whereas, Chris has invested in his community,
16 volunteering in various local nonprofits,

17 "And whereas, Chris has been a devoted member and
18 Chair of the Energy Commission's Disability Advisory
19 Committee from 2017 through 2020,

20 "Therefore, be it resolved that the California Energy
21 Commission recognizes and commends Chris Davis, who
22 remains an honorary member of Staff and the Disability
23 Advisory Committee for his many great contributions to
24 the people of the state of California, and wishes him
25 good health, happiness, and all the best in his future

1 endeavors.”

2 If I can just add a very personal note?

3 Chris, it has been so wonderful to work with you.
4 From my first day, walking in the door as the coordinator
5 for the agency for our disability advisory role, it was
6 nice just how welcoming you’ve been from day one, how
7 you’ve always included me, always been very gracious about
8 listening to my many, many ideas and suggestions of things
9 that we could do, as I am never out of those. But you are
10 like that with everyone.

11 And you -- I want you to know that you have
12 certainly set the bar high and will leave legacy here that
13 I think will not only continue to positively impact the
14 Disability Advisory Committee, which has a positive role in
15 including our employees with disabilities and making sure
16 that we are accessible as an agency for all of our
17 coworkers with disabilities, but also set up the standard
18 for other employee resource groups who can do the same for
19 other affinity groups.

20 So my many thanks, my best wishes, my greatest
21 congratulations to you. And just thank you so much, Chris.

22 CHAIR HOCHSCHILD: Thank you, Carousel.

23 Noemi, we have some Staff comments; correct?

24 MS. GALLARDO: That is correct, Chair. So,
25 again, this is Noemi, Public Advisor. We are going to

1 start off with Garry Maurath, who will be coming through
2 the Verizon line. So if we could open up his line?

3 Garry Maurath? Garry, your line is open. Please
4 feel free to begin.

5 MR. MAURATH: Hi Noemi. Thank you so much.

6 I wanted to take a moment to really express my
7 gratitude for Chris. He and I joined the DAC at the same
8 meeting. And when the two of us joined the membership on
9 the DAC mushroomed to six people. And during Chris's
10 tenure of leading the DAC, his vision and focus has been
11 unwavering. And I think one of the signs of an absolutely
12 true leader is as he leaves the DAC, we've got triple the
13 membership we did than when he joined.

14 And although every state agency must have a DAC,
15 I believe our DAC is the most vibrant, active DAC of all
16 state agencies, and that's due to Chris's leadership. And,
17 again, sign of a true leader, when he steps down from the
18 DAC, he is leaving the DAC in a much better position,
19 focused going forward, active, vibrant.

20 It's just been an absolute joy to work with you.
21 And I'm a fortunate person that, in your regular day job, I
22 also get to work with you in Compliance where your
23 leadership has been a breath of fresh air. And you are
24 going to be sorely missed. So congratulations. Hope you
25 have a happy holiday. And wherever you go, I know things

36

1 are going to be better.

2 Thank you.

3 CHAIR HOCHSCHILD: Thank you.

4 MS. GALLARDO: So this is Noemi. Next up is
5 Greiana Williams. She is also on the Verizon line.

6 Greiana, your line is open. Please begin.

7 MS. WILLIAMS: Thank you, Noemi.

8 So I just want to say, as the Vice Chair of DAC,
9 and on behalf of the entire Disability Advisory Committee,
10 I'd like to thank Chris for his very kind disposition and
11 his hard work to make the CEC a more inclusive and
12 accessible place for all Staff.

13 Just on a personal note, Chris, you have made a
14 profound impact on me that I will carry with me throughout
15 my career and just in my life, so thank you so much. We'll
16 miss you and we wish you the very best.

17 MS. GALLARDO: This is Noemi, the Public Advisor.
18 That was the final comment, Chair. I will turn it over to
19 you.

20 CHAIR HOCHSCHILD: Okay. Thank you.

21 Commissioners? Would any of the Commissioners
22 like to -- wish to make a comment?

23 Commissioner Douglas.

24 COMMISSIONER DOUGLAS: Well, I just wanted to
25 speak up. So as the Lead Commissioner on Siting, and with

1 the STEP Division, I just wanted to recognize Chris for his
2 many years of work in the STEP Division. He's been
3 involved in some way in virtually every power plant
4 application that's gone through there in quite a long time.
5 And he has always been active, presenting items at every
6 step. The Lead Commissioner meeting, he's prepared, he's
7 ready to dive into the details. I'll definitely miss
8 seeing Chris at all of these meetings and in the work at
9 the STEP Division.

10 So congratulations on your retirement, Chris.

11 CHAIR HOCHSCHILD: Thank you, Commissioner.

12 Any other Commissioners wishing to make a
13 comment?

14 Vice Chair Scott?

15 VICE CHAIR SCOTT: Yeah, I'll jump in as well.

16 I just wanted to say, on the topics where you
17 could come in and brief me, Chris, I always knew that I was
18 going to get an excellent, thoughtful, and thorough
19 briefing. I was always happy to see you come to my office.

20 And I just kind of wanted to note a little bit
21 that it's kind of -- it's bittersweet to say goodbye to
22 folks in general, but it's really bittersweet to say
23 goodbye to folks in 2020 where we don't have the
24 opportunity to see one another in person. And so I hope
25 and counsel strongly for everyone to come back when we can

1 all see one another so we can all hug each other and see
2 each other in person again.

3 But it's -- I just wanted to say thank you,
4 Chris, to you for your service to the people of California.
5 And also to wish you the very best in your retirement as
6 well. I hope it's relaxing and restful, and also fun and
7 adventurous, so thank you so much.

8 CHAIR HOCHSCHILD: Thank you, Vice Chair.

9 Other Commissioners? Thank you.

10 Well, Chris, just -- I didn't get a chance to
11 work with you closely, but I just wanted to extend my
12 gratitude to you for your service. And we did have a
13 request from our Executive Director Drew Bohan to thank
14 you, and the other two as well.

15 So maybe let's turn to Drew now?

16 EXECUTIVE DIRECTOR BOHAN: Thanks very much,
17 Chair. Drew Bohan, Executive Director. Just wanted to
18 make a quick thank you to all three.

19 Gabe, Liz, Chris, I've had the pleasure of
20 working pretty closely with all three of you. It's really
21 nice to hear so many nice comments from all your colleagues
22 and from the Commissioners. So to the three of you, best
23 of luck and thank you so much.

24 CHAIR HOCHSCHILD: Thank you, Drew. All right.

25 COMMISSIONER MCALLISTER: Chair, I'll just say --

1 CHAIR HOCHSCHILD: Oh, I'm sorry, Commissioner
2 McAllister, did you want to --

3 COMMISSIONER MCALLISTER: Yeah. Sorry. I didn't
4 want my silence to be anything other than just tacit
5 support, so I'll just speak out.

6 You know, we did have a number of workings
7 together over the years and I really just appreciated that.
8 You know, I was not -- I haven't been involved recently in
9 the STEP Division's work. But, certainly, just the quality
10 overall, and your support for the institution and, as
11 others have said, just your great representation of the
12 Commission and the fabulous work you've been doing, so
13 thank you so much for that.

14 CHAIR HOCHSCHILD: Thank you, Commissioner.

15 Okay, with that, Chris, any words from you?

16 MR. DAVIS: Well, yeah. I want to thank
17 everybody at the Commission. There have been so many great
18 people there and people with passion. That really made a
19 difference for the people of California and given me an
20 opportunity to do work that's probably the most important
21 in my career in the last 20 years. I mean, it wasn't quite
22 as much fun as having people call me up on the radio and
23 say I have a nice voice or winning a dozen broadcast news
24 awards.

25 But in 2001, when California had rolling

1 blackouts, we were able to license power plants in as
2 little as 19 days and get them online at the end of that
3 summer to stop the rolling blackouts and the gaming that
4 was going on.

5 When I became a Compliance Project Manager and
6 was going and visiting power plants that were under
7 construction, literally, there were concrete results every
8 time and I'd go and see them, and it was so satisfying.
9 And during the ARRA projects, 2010, with Genesis and the
10 other solar-thermal projects, again, we rallied to make a
11 difference. And this year, which has been probably the
12 most bizarre in my lifetime, and hopefully the most bizarre
13 that any of us will have to live through, we were able to
14 rally, change processes that relied on paper, in large
15 part, to electronic processes and make the switch like
16 that.

17 The compliance project managers, I've said this
18 before, I really think, ironically, somehow it helped in
19 team building, that a group came together when we needed.
20 When I told the compliance project managers, you're going
21 to have to work for the weekend, we need to get every
22 megawatt on the grid we possibly can, there was no
23 complaint. Everybody jumped in and was so helpful.

24 And then, finally, I wanted to thank Carousel
25 especially. Working with her on the Disability Advisory

1 Committee was, again, was really satisfying. And there are
2 people that donate their time, this is above and beyond
3 what they're doing to get their salaries, but donate time,
4 and don't just come to meetings but actually contribute.

5 There's so much positive going on at the
6 Commission. And you're all positioned to continue to have
7 a strong impact on people's lives in California. And to
8 me, you just can't ask for much more. And I just thank you
9 all for the opportunity.

10 CHAIR HOCHSCHILD: Thank you so much, Chris.
11 Best of luck to you.

12 Unless there's any comments on that, let's move
13 on to item four, Modification of Regulations Specifying
14 Enforcement Procedures for the Renewables Portfolio
15 Standard for Publicly-Owned Utilities.

16 We have -- I think Katharine Larson is going to
17 present here.

18 MS. LARSON: Good afternoon, Chair Hochschild,
19 Vice Chair Scott, and Commissioners. My name is Katharine
20 Larson and I'm the Staff Lead for the Renewables Portfolio
21 Standard Enforcement Regulations for Local Publicly-Owned
22 Electric Utilities. With me today on the phone are Gabe
23 Herrera, Staff Counsel for the Rulemakings, Natalie Lee,
24 Deputy Director of the Renewable Energy Division, and Greg
25 Chin and Malachi Weng-Gutierrez, Renewable Energy Division

1 Staff.

2 I'm here to present the proposed regulations and
3 the associated mega declaration under CEQA for you to
4 consider for adoption.

5 For purposes of the Administrative Procedure Act,
6 this business meeting also serves as our public hearing.
7 Due to the complexity of the issue and the level of public
8 interest, the presentation may take a little longer than
9 typical business meeting items.

10 Next slide please.

11 So the Renewable Portfolio Standard, or RPS, was
12 established by the legislature and requires local publicly-
13 owned utilities, or POUs, and resale sellers of electricity
14 to procure increasing quantities of renewable energy
15 generation. The legislature identifies unique benefits to
16 California from the RPS, which are codified in Public
17 Utilities Code section 39911(b). Broadly, the objective
18 includes reducing climate impacts of electricity sources
19 serving California. The proposed regulations will provide
20 improved direction and guidance to POUs on how the CEC will
21 interpret, apply, and enforce the RPS, which will result in
22 a more uniform and consistent application that promotes the
23 underlying benefit.

24 Next slide please.

25 So as I mentioned, the RPS requires POUs and

1 resale sellers to procure increasing quantities of
2 renewable energy. And compliance is assessed on a multi-
3 year basis.

4 In 2011, Senate Bill, SB X12, generally made the
5 requirements of the statewide RPS program applicable to
6 POU's and established new procurement requirements,
7 including a target of 33 percent by 2020 for both resale
8 sellers and POU's.

9 Subsequent legislation increased the procurement
10 targets to 50 percent, and then 60 percent, by 2030 and
11 beyond. The figure on the right here broadly illustrates
12 the increased RPS targets for the final year of each
13 compliance period. And the estimates of annual soft
14 targets for intervening years from the start of the RPS
15 through 2030.

16 The RPS enforcement regulations for POU's specify
17 how the CEC will assess a POU's procurement actions and
18 determine whether they meet the RPS requirements.
19 Regulations also specify a public process by which the CEC
20 may issue a notice of violation and refer noncompliance to
21 the California Air Resources Board, or ARB.

22 The CEC's first RPS regulations for POU's took
23 effect in 2013. And subsequent amendments to the
24 regulations took effect in April 2016. These regulations
25 are specific to POU's. The CPUC oversees the RPS

1 requirements, compliance, and enforcement for retail
2 sellers.

3 Next slide please.

4 Since the CEC last amended its RPS regulations,
5 four pieces of legislation have modified RPS requirements
6 applicable to POUs. These will affect multiple aspects of
7 the RPS program. And some of the major changes include
8 increasing and accelerating procurement targets after 2020,
9 establishing a new long-term procurement requirement,
10 changes to excess procurement and optional compliance
11 measures, and changes to special exemptions and
12 adjustments, among others.

13 Next slide please.

14 The broad objective of this rulemaking is to
15 implement the RPS statutory changes for POUs in a manner
16 that's consistent with statute, consistent, to the extent
17 possible and appropriate, with implementation of parallel
18 requirements for retail sellers, can reasonably apply to a
19 diverse set of locally controlled POUs which vary widely by
20 service area, geography, and the size, demographic, and
21 distribution of the customer base.

22 Next slide please.

23 As you can see, these regulations are several
24 years in the making and are the product of robust public
25 engagement. After pre-rulemaking activities, the formal

1 rulemaking was initiated on May 8th, 2020 with publication
2 of a Notice of Proposed Action and initial rulemaking
3 package, pursuant to the Administrative Procedure Act. The
4 45-day public comment for the express terms ran through
5 June 22nd.

6 On July 9th, Staff published an initial study and
7 proposed Negative Declarations for the proposed
8 regulations, along with the Notice of Intent to adopt the
9 proposed Negative Declaration, in accordance with the
10 California Environmental Quality Act, or CEQA.

11 During the course of the rulemaking, Staff
12 conducted two Lead Commissioner workshops, and issued three
13 sets of 15-day language updating the proposed express terms
14 in response to comments. Staff worked with stakeholders
15 and stakeholders also worked together to submit a consensus
16 proposal for implementation of certain elements of the
17 long-term procurement requirements.

18 A third round of 15-day language issued on
19 December 1st represents the final version of the proposed
20 regulations. The comment period for the 15-day language
21 ended on December 16th. Staff has reviewed all comments
22 and will provide responses in the final Statement of
23 Reasons as required by the Administrative Procedures Act.

24 Next slide please.

25 The most significant aspect of the rulemaking is

1 the new long-term procurement requirement, or LTR, enacted
2 by SB 350. This new requirement generally specifies that
3 beginning in 2021 at least 65 percent of procurement must
4 come from a resale sellers contract of ten years or more in
5 duration, ownership, or ownership agreement. The law makes
6 the LTR applicable to POU's by requiring POU governing
7 boards to adopt consistent requirements, and also provides
8 a mechanism for voluntary early compliance beginning in
9 2017.

10 The purposes of this new long-term procurement
11 requirement, based on comments, are the support and
12 development of new resources and major capital investments
13 in existing resources, and to assist with long-term
14 planning and market stability, all of which ultimately
15 support the state's clean energy goals.

16 As part of the CEC's oversight role to the RPS
17 enforcement, regulations must address how compliance with
18 the long-term procurement requirements will be assessed.
19 While this seems straightforward on its face, addressing
20 the range of contracting scenarios and clarifying the
21 effect of various modifications actually gets quite
22 complex.

23 Furthermore, the proposed implementation had to
24 balance the need for flexible long-term contracting with
25 reasonable safeguards to address some stakeholder concerns

1 about potential loopholes for contracts clearly intended to
2 evade the purposes of the requirement and ensure that
3 implementation supports those purposes.

4 Next slide please.

5 The proposed regulations implement the LTR as a
6 third separate procurement requirement for which
7 compliances effect independently of the other RPS
8 procurement requirements which are the procurement target
9 and the portfolio balance requirement. This framework
10 treats compliance with each requirement with equal weight.
11 And noncompliance with any one results in the same
12 enforcement process.

13 The proposed regulations clarify that POUs may
14 adopt and apply the cost limitation or delay of timely
15 compliance optional compliance measures to address a
16 shortfall in the long-term procurement requirement. It is
17 consistent with the established implementation of optional
18 compliance measures for the other RPS procurement
19 requirements.

20 Next slide please.

21 The proposed regulations define long-term
22 contracts and short-term contracts for purposes of
23 determining what procurement may be counted for compliance
24 with the LTR. To be classified long-term a contract must
25 have a duration of at least ten continuous years, measured

1 from the contract start date, defined as the date the POU
2 begins electricity products for the contract, to the
3 contract end date.

4 For contracts executed or amended after July 1st,
5 2020, additional criteria must be met for the contract to
6 be considered long-term. They include requiring reasonable
7 consistent contracted-for requirements. This requirement
8 is only applicable to those POUs that file Integrated
9 Resource Plans with the CEC. Limiting the use of
10 unilateral cost-free early termination options such that
11 the buyer cannot just walk away without cause. And
12 requiring minimum pricing or quantity terms sufficient to
13 show the procurement obligation.

14 For POUs with long-term contracts that don't
15 conform to these additional criteria, a POU can still claim
16 the contract as long-term by showing that one of several
17 conditions are satisfied, or by showing that the contract
18 represents a procurement commitment consistent with the
19 purposes of the long-term procurement requirement.

20 Staff proposed the additional criteria apply only
21 to contracts that executed after July 1st in recognition
22 that POUs had to execute long-term contracts for a
23 compliance for and beyond prior to adoption of these
24 regulations.

25 And in the event that the POU is contracting with

1 a third-party supplier, all these requirements should apply
2 both to the POU's contracts and to any upstream contracts
3 with the RPS facilities.

4 Next slide please.

5 So the proposed regulations clarify how the long-
6 term contracts apply in different contracting structures. A
7 POU's contract to procure electricity products from an RPS
8 facility must have a duration of at least ten continuous
9 years, and if executed after July 1st must meet the
10 additional long-term contract criteria. This structure is
11 shown in the icon on the top right.

12 If the POU's contract was with multiple
13 facilities, then the procurement commitment with respect to
14 each facility must satisfy the long-term contract
15 requirements.

16 The regulations also address jointly-negotiated
17 contracts which include joint contracts between multiple
18 POUs at an RPS facility, separately executed contracts with
19 individual POUs in the same RPS facility if the separate
20 contracts identify the joint parties and provide the right
21 to reallocate procurement among them, and contracts
22 executed by a joint powers agency or other third party on
23 behalf of multiple POUs.

24 In the jointly-negotiated contract structure,
25 each POU's procurement commitment must meet the long-term

1 contract requirements. And the contract with the RPS
2 facility must meet the same except that the aggregate joint
3 procurement would be used to assess reasonable consistent
4 variations.

5 The separately executed joint procurement
6 structure is shown in the middle icon on the slide.

7 And for contracts between a POU and a third-party
8 supplier, both the POU's contract and the upstream contract
9 with the facility must meet the long-term contract
10 requirements, or the facility must be owned by the third-
11 party.

12 With regard to contract duration, the upstream
13 contract with the RPS facility must have at least ten years
14 remaining when the POU's own contracts starts. The
15 requirement for this long-term contract structure are
16 illustrated on the lower right-hand side of the slide.

17 Several stakeholders have argued that a POU's
18 contract with a third-party supplier should be assessed as
19 long term only based on the POU's contract and not on any
20 upstream contract with the facility on the basis that this
21 is contrary to statute and the CPUC's implementation for
22 resale sellers.

23 In Staff's assessment, however, a POU's long-term
24 contract with a third party in which the third party forces
25 generation from a portfolio of short-term resources doesn't

1 appear to support the purposes of the LTR. Furthermore,
2 the CEC and CPUC have different roles and responsibilities
3 for affecting procurement actions.

4 Some stakeholders also argue that the requirement
5 to have a remaining duration of at least ten years would
6 diminish the value of existing third-party long-term
7 contracts under the (indiscernible) authority. In fact,
8 this remaining duration requirement provides comparable
9 treatment for POU contracts in the upstream third-party
10 contracts. Just at the time the POU's ten-year contract
11 starts, the third-party's contract also has at least ten
12 years remaining, regardless of the start date.

13 Finally, some stakeholders have argued that any
14 third-party contracts with RPS facilities shouldn't be
15 subject to the ten-year duration requirement unless the
16 POU's contract is executed after July 1st, arguing that
17 POUs weren't aware of the requirement and might not have
18 access to the upstream contracts.

19 Staff rejected this alternative as the ten-year
20 duration is the core element of the LTR, and the proposed
21 reporting requirements are intended to alleviate any access
22 issues by allowing third-party attestations or direct
23 submission of contract excerpts for those contracts
24 executed prior to July 1st.

25 In all cases, long-term contracts require a long-

1 term procurement commitment by a POU and a long-term
2 commitment with the RPS facility, which is necessary to
3 ensure all procurement that POUs count for compliance with
4 the LTR is sourced through long-term contracts.

5 Next slide please.

6 In addition to specifying long-term contract
7 requirements for these contract structures, the proposed
8 regulations clarify the classification of long-term
9 procurement under different scenarios. In general,
10 procurement for the long-term contract is expected to be
11 long term unless amendments or modifications change the
12 status of the long-term contract. The proposed regulations
13 clarify when contract amendments are treated as part of the
14 long-term contract and when they're treated as a new
15 agreement. They also clarify when replacement energy or
16 quantity of exceeding the POU's obligation under the long-
17 term contract are treated as part of the contract.

18 The proposed regulations clarify that additional
19 long-term contract criteria don't apply to renewals or
20 extensions of a POU's federal hydropower contract with the
21 Western Area Power Administration. These renewals will be
22 assessed by the POU's contract duration to account for
23 provisions that might allow for early termination of
24 changes in quantity based upon actions by WAPA and FERC.

25 The proposed regulations clarify that ownership

1 or ownership agreements are presumed to be permanent. So
2 unless the ownership agreement specifies a duration of less
3 than ten years, procurement will be classified as long-
4 term.

5 Finally, procurement from PCC 0 contracts, as
6 well as a POU's historic carryover and any prior banked
7 excess procurement, will be classified as long-term. PCC 0
8 contracts count in full toward the RPS procurement
9 requirements. And prior banked excess procurement met the
10 requirements for a ten-year contract duration in place at
11 the time.

12 Next slide please.

13 So beyond the long-term procurement requirement,
14 the proposed regulations implement statutory changes and
15 provide necessary clarifications to the other RPS
16 procurement requirements and optional compliance measures.
17 Changes to RPS procurement requirements include
18 implementing the new compliance periods established by
19 statute through 2030 and establishing three-year compliance
20 periods thereafter, implementing the new final-year
21 procurement targets, culminating at 60 percent by 2030 and
22 an average of 60 percent for each compliance period, and
23 also establishing annual soft targets for the intervening
24 years of each compliance period, and clarifying the
25 applicability of the portfolio balance requirement to the

1 new compliance periods, and clarifying existing equations.

2 Changes to optional compliance measures include
3 implementing new excess procurement rules effective in 2021
4 and implementing a process for voluntary early compliance
5 with the long-term procurement requirement that would allow
6 the new excess procurement rules to take effect early, in
7 this third compliance period.

8 POUs are generally required to adopt optional
9 compliance measures prior to the end of the compliance
10 period in which they are used. But due to the date of
11 adoption of this update, the proposed regulations provide
12 that the rules allowing POUs to elect early compliance must
13 be adopted within 30 days of the effective date of these
14 regulations.

15 And the other changes include implementing new
16 conditions by which a POU may delay timely compliance with
17 the RPS requirements and implementing simplified
18 requirements for POUs to adopt and apply cost limitations.

19 Next slide please.

20 The proposed regulations also implement statutory
21 changes and provide necessary clarifications to multiple
22 exemptions and adjustments to POU RPS procurement
23 requirements. Broadly, these exemptions and adjustments
24 recognize specific circumstances and effectively allow POUs
25 to reduce or remove an RPS procurement requirement in

1 limited cases. However, the nuances in eligibility
2 criteria or the exemption calculations can be quite
3 complex. I'll highlight a few here.

4 First, the proposed regulations implement an
5 option allowing POU's to exclude from their RPS retail sales
6 the quantity of qualifying generation procured for
7 voluntary green pricing or shared renewable generation
8 program customers. This optional adjustment effectively
9 lowers a POU's RPS obligation by lowering the retail sales
10 used to calculate RPS soft targets.

11 To illustrate how this adjustment works, consider
12 a POU that has 10,000 megawatt hours of retail sales this
13 year, including sales to green pricing program customers,
14 and the annual soft target percent is 33 percent. If the
15 POU procures 1,000 megawatt hours of qualifying generation
16 for those customers, the voluntary program customers, the
17 POU may exclude that quantity from its retail sales for
18 purposes of RPS compliance obligation. The POU's adjusted
19 retail sales are equal to 10,000 megawatt hours minus the
20 1,000 megawatt hours procured through the participating
21 customers, or 9,000 megawatt hours. The adjusted amount of
22 retail sales is then used to calculate the POU's soft
23 target for that year. So 33 percent of 9,000 is 2,970
24 megawatt hours.

25 Absent the adjustment, the POU's soft target

1 would be calculated as 33 percent of its annual retail
2 sales, or 33 percent of 10,000 megawatt hours, which is
3 3,300 megawatt hours, so the difference of 330 RECEIVES.

4 As you can see, excluding qualifying green
5 pricing program generation for retail sales has the effect
6 of lowering a POU's RPS soft target but does not count
7 toward RPS compliance.

8 And consistent with the statutory requirements,
9 the regulations require that qualifying generation for this
10 exclusion meets the requirements of PCC 1, meaning that the
11 electricity and associated RECs must be procured bundled;
12 that the associated RECs be retired on behalf of
13 participating customers, meaning that any RECs retired for
14 purposes of RPS compliance, including banked excess
15 procurement or historic carryover, would not be qualifying
16 generation; and that the associated RECs not be used for
17 RPS compliance or be further sold, transferred, or
18 otherwise monetized for any purposes. The proposed
19 regulations clarify, for purposes of this provision, that
20 "monetized" means the RECs were used to earn revenue or
21 financial value other than through the program tariff or
22 subscription.

23 The statutory requirements also specify that, to
24 the extent possible, POUs seek to procure qualifying
25 generation from RPS facilities located in reasonable

1 proximity to participating customers. The proposed
2 regulations clarify this locational requirement as within a
3 California balancing authority area.

4 Some stakeholders contend that the regulations
5 should specifically recognize that procurement from green
6 tariffs used in the ARB's Low Carbon Fuel Standard program
7 is eligible for this RPS retail sales exclusion, and that
8 otherwise POUs would need to double retire RECs. The
9 statutory requirements prohibit the exclusion of any RECs
10 that are not retired on behalf of the participating
11 customer or that are further sold, transferred, or
12 otherwise monetized for any purpose.

13 The proposed regulations require that the RECs be
14 retired in a WREGIS subaccount designated for the benefit
15 of participating customers. Staff believes that RECs
16 retired for purposes of the Low Carbon Fuel Standard
17 represent a monetization of the retired RECs and so
18 rejected this proposal.

19 Furthermore, the assertion that double retirement
20 would be needed is a mischaracterization. As illustrated
21 in the example, the RPS soft target is calculated as a
22 percent of retail sales, so reducing retail sales does
23 lower the target but only by a portion of the amount of
24 qualifying generation.

25 Next slide please.

1 The proposed regulations also implement a partial
2 procurement target exemption that allows POUs that receive
3 more than 40 percent of annual retail sales from qualifying
4 large hydroelectric generation to adjust their soft target
5 that year to ensure that the combination of RPS procurement
6 and large hydro procurement does not exceed 100 percent of
7 retail sales. This exemption is available to qualifying
8 POUs through 2030.

9 Some stakeholders have argued that the exemption
10 should be available after 2030, as long-term federal
11 hydropower contracts extend past that date. While we
12 understand parties' concerns, the question of the exemption
13 end date is a statutory, rather than regulatory, issue as
14 the compliance periods for which the exemption is effective
15 are specified in statute and end in 2030.

16 The proposed regulations also implement a partial
17 procurement target reduction that allows POUs with
18 qualifying publicly-owned gas-fired power plants with
19 outstanding public indebtedness and that meet certain
20 operational considerations over a compliance period to
21 adjust their RPS procurement target beginning with the
22 2025-2027 compliance period.

23 Some stakeholders have argued that this exemption
24 should be evaluated and applied annually as a soft target
25 adjustment. And while we acknowledge that annual soft

1 target adjustments would provide greater relief for bond
2 payments on the facilities that are due annually, the plain
3 language of statute and the legislative history indicate
4 that this exemption should apply and be evaluated on a
5 compliance period basis.

6 Next slide please.

7 The proposed regulations update annual and
8 compliance reporting to address or conform to statutory
9 changes and provide necessary clarification of existing
10 requirements, including clarifying when the POU must report
11 on newly executed contracts, specifying that documentation
12 on third-party contracts must be submitted upon request,
13 and clarifying that such documentation may include
14 attestations by the POU. For contracts executed prior to
15 July 1st, an attestation may also be submitted by the
16 third-party to alleviate possible access issues.

17 Consistent with current reporting, a POU may
18 refer to information submitted in prior annual reports,
19 which could now include information submitted by a third-
20 party, in lieu of resubmitting it every year.

21 In addition, a number of new reporting deadlines
22 were updated in the third 15-day language to address the
23 possibility that the regulations might not be effective by
24 next July, in which case reporting deadlines for new
25 requirements would be within 30 days of the regulation

1 effective date. While it is staff's intent for the
2 regulations to take effect prior to next July, we
3 acknowledge this might not be possible as the normal OAL
4 review period of 30 business days has been extended through
5 executive orders by an additional 120 calendar days.

6 The proposed regulations also implement a two-
7 step compliance reporting process with modified information
8 submitted in the annual report for the last year of a
9 compliance period, followed by a compliance report
10 submitted after the CEC has completed initial verification.
11 In addition, the proposed regulations extend the compliance
12 report deadline to 90 days after the CEC sends the POU
13 draft verification results and specify that POUs may
14 request extensions following the process identified in the
15 RPS Eligibility Guidebook.

16 Next slide please.

17 Consistent with current verification practices,
18 CEC staff will review contracts to verify the claimed
19 classification as long term. Staff will complete the
20 review following annual reporting on long-term contracts.
21 And the proposed regulations provide that, to the extent
22 possible, POUs will be notified of contract determinations
23 within one year of the submission of complete and accurate
24 information in the annual report. If the POU disagrees
25 with staff's verification of contract classification as

1 long term or short term, the POU may appeal staff's
2 determination to the Executive Director. The appeals
3 process is specific to verification of the contract as long
4 term or short term.

5 Any existing contracts that the POU has already
6 reported to the CEC, and for which the POU seeks to
7 classify as long term for purposes of the LTR, must be
8 reported to the CEC in the annual report due next July or
9 within 30 days of the effective date of the regulations,
10 whichever is later. The CEC will verify those contracts as
11 part of verification activities for compliance period
12 three.

13 The proposed regulations also include a process
14 by which POU's may request early review of a long-term
15 contract. The voluntary early review process is available
16 only for contracts executed after July 1st and only for
17 contracts that don't, on their face, meet the additional
18 long-term contract criteria, for example, contracts for
19 which procurement quantities vary by more than the
20 reasonable consistency standard, that include unilateral
21 cost-free termination options, or that do not include
22 minimum pricing or quantity terms.

23 To the extent possible, the Executive Director,
24 with staff recommendation, will issue a determination
25 within 90 days of a complete request for review. A POU may

1 appeal the determination by filing a petition for
2 reconsideration.

3 Next slide please.

4 In accordance with CEQA and APA requirements,
5 staff evaluated the environmental, economic, and fiscal
6 impacts of the proposed regulations. The resultant
7 Negative Declaration concludes that there is no substantial
8 evidence, in light of the record before the agency, that
9 these regulations may have a significant effect on the
10 environment.

11 Furthermore, the associated economic and fiscal
12 impact analysis indicates that the direct and indirect
13 impacts of these regulations won't exceed the \$50 million
14 threshold of major regulations.

15 Finally, staff concludes that these regulations
16 meet the objectives of the rulemaking. The regulations are
17 consistent with and necessary to implement the purpose of
18 statute, provide consistent or comparable treatment with
19 retail sellers to the extent possible, and apply reasonably
20 to a diverse set of local publicly-controlled entities.

21 Consequently, we recommend the Commission first
22 adopt the Negative Declaration for the proposed
23 regulations, and then adopt the proposed regulations as
24 reflected in the third 15-day language. Gabe, Natalie,
25 Malachi, Greg, and I will be available to answer any

1 questions you have.

2 And I'd also just like to quickly echo the
3 appreciation for Gabe that was heard earlier in the
4 business meeting and thank him for all his valuable
5 assistance and insight, especially in this rulemaking.

6 And with that, thank you for your consideration.

7 CHAIR HOCHSCHILD: Well, thank you, Katharine.

8 And I think, as your substantial report indicates, this was
9 not an easy process, very complex. And I want to thank you
10 for all your hard work, and the rest of your team, to get
11 us to this point.

12 So let's go first to public comment.

13 Madam Public Advisor, do we have some folks on
14 the line?

15 MS. GALLARDO: This is Noemi, the Public Advisor.
16 Yes, we do. We have about five people.

17 So I want to remind folks in the queue for this
18 item number four that they will have up to three minutes
19 each to speak. We have a timer that will show. Only one
20 representative per organization is allowed. After your
21 line is opened, please spell your first and last name,
22 state your affiliation if you're representing an
23 organization, and do not use the speaker phone when talking
24 because we won't hear you as clearly. If you're also on
25 Zoom, either mute or leave Zoom to avoid feedback.

1 And with that, we are going to be begin with
2 James Hendry. He is on the Verizon line. And let's open
3 up his line so that he can begin. So that's James Hendry.

4 James, if your line is open, please begin.

5 MR. HENDRY: It is open. Hello?

6 MS. GALLARDO: We can hear you, yes.

7 MR. HENDRY: Okay. Great.

8 MS. GALLARDO: Go ahead.

9 MR. HENDRY: Good afternoon. This is James
10 Hendry, H-E-N-D-R-Y, with the San Francisco Public
11 Utilities Commission.

12 As noted in Staff's presentation, a publicly-
13 owned utility may exclude from calculating its obvious
14 obligation, sales made under Green Tariff Program.
15 However, Staff goes on to indirectly conclude that a green
16 tariff customer may not use green tariff participation to
17 document it is using greenhouse gas green energy to power
18 its electric vehicles. This reduces about 40 percent, the
19 amount of LCFS credits. It contradicts the California Air
20 Resources Board's goal to expand, not limit, the use of
21 green tariffs to promote electric vehicle development. And
22 it will make it harder to achieve Governor Newsom's order,
23 executive order, to receive and have 100 percent electric
24 car sales by 2035.

25 As noted in Staff's presentation, in order to

1 participate in the Green Tariff and LCFS Program, you would
2 have to double retire a renewable energy credit. Staff
3 claims you're not double retiring a credit because you can
4 also offset your partial compliance with the RPS
5 requirements. So, perhaps, a more technical definition is,
6 with the 33 percent RPS, if you're having to require one-
7 and-two-thirds renewable energy credits in order to
8 participate in the Green Tariff and LCFS Program, slightly
9 less than two but still enough to make the program
10 uneconomic or less economic for a customer to participate.

11 This double retirement or increased retirement
12 obligation was not envisioned when CARB developed its
13 regulation. And Staff's interpretation that these RECs
14 must be, you know, double retired or subsequently increased
15 retired is based on an incorrect of the phrase otherwise
16 monetized in statute. We've sent extensive comments
17 explaining why this is not consistent with the statute.
18 And if you strictly implemented it, it would mean that the
19 customers use for green tariff participation for any
20 program, such as LEAF certification or green marketing that
21 provides financial value, as the Commission staff has
22 identified the term, should also be prohibited.

23 The interpretation is inconsistent with the
24 Commission's own treatment in February of a similar green
25 tariff program where the California Energy Commission

1 unanimously concluded that there was no need for a double
2 retired. That program, the Shared Solar Program, was
3 identical to the LCFS Program. As Staff noted, there was a
4 requirement that you had to retire the RECs to a specific
5 subaccount. It provided financial value. And it was used
6 to document participation in other programs.

7 Despite that, in February the Commission's
8 unanimously said there was no need to double retire
9 renewable energy credits. And we believe the similar
10 treatment should apply to the Low Carbon Fuel Standard
11 Program.

12 The achievement of California's electric vehicle
13 goals should be promoted, not hindered, by the use of a
14 green tariff. And we urge the Commission to address this
15 issue when it's preparing its final Statement of Reasons.

16 I'm available for any questions if you have any.
17 Thank you and we appreciate your time.

18 And, also, I wanted to also give a shoutout to
19 Gabe Herrera I've appreciated working with him over the
20 past ten years, mainly on RPS issues, and even when, as
21 today, we have disagreements over statutory interpretation.

22 Thank you.

23 CHAIR HOCHSCHILD: Thank you, James.

24 MS. GALLARDO: This is Noemi, the Public Advisor.
25 So next up we are going to have Scott Tomashefsky.

1 And I remind folks to please spell your first and
2 last names, especially if I mispronounce them, and I
3 apologize for that.

4 And then after Scott, we will have Mario
5 DeBernardo.

6 So, Scott, your line is open. Please begin.

7 MR. TOMASHEFSKY: Thank you. My name is Scott
8 Tomashefsky, T-O-M-A-S-H-E-F-S-K-Y, enough letters for you
9 today. On behalf of NCPA, we're pleased to offer our
10 support for the adoption of the third set of 15-day
11 amendments to the enforcement procedures.

12 While the focus of much of the changes between
13 the second day -- second set of language and the third set
14 that was released on December 1st has been focused on long-
15 term procurement, it's important to step back for a minute
16 and recognize the wide range of topics that have been
17 debated over the four years that brings us to today.

18 I would think most parties would agree, and as
19 the Staff presentation highlights, there are key topic
20 areas that literally took years to reconcile within the
21 draft regulations, which is not an easy task for any of us,
22 including all the stakeholders involved, Energy Commission
23 staff, management, and Commissioners.

24 With regard to the long-term procurement
25 provisions, we'd like to express our appreciation to the

1 Commission for coming up with a package that's acceptable
2 to move forward, even though it doesn't necessarily include
3 100 percent of what we would have liked to see. That's the
4 nature of negotiations in these processes.

5 Most implementation for us, the proposed
6 regulations appear to balance the need for the Commission
7 to do its work to evaluate whether a contract meets the
8 criteria of long-term procurement under the statute with
9 the flexibility that we believe is needed for smaller POU's
10 to successfully comply with the long-term procurement
11 requirement.

12 I do want to acknowledge the leadership of
13 Commissioner Douglas in all this to getting us to the
14 finish line here, including her commitment to working with
15 my POU colleagues and other stakeholders to facilitate a
16 workable solution during a pretty challenging four months,
17 I mean, on top of the fact that we're doing this all in a
18 virtual mode.

19 And, in particular, I also want to thank
20 Katharine for her tireless efforts, because she's been
21 dealing with us in the trenches for years. We're a pretty
22 diverse POU community. And she has always been accessible
23 and willing to kind of deal with our nuances and family
24 squabbles that we tend to have. So I want to provide that
25 as well.

1 And then, finally, given the fact I'm a CEC
2 alumni, I'm going to get on the Gabe Herrera train here and
3 personally thank him, and also note that his
4 professionalism and candor has served the Commission well
5 over the years. I think we both started the Commission
6 about the same time, 1992/'93 time period. So I just want
7 to wish him all the best as he moves on to bigger and
8 better things. And as it sounds like from the Commission
9 discussion, we may have opportunities to continue to work
10 with them as a retired annuitant.

11 So with that, I'll just say thank you, and wish
12 you all a safe and joyous holiday season.

13 MS. GALLARDO: Thank you, Scott.

14 This is Noemi, the Public Advisor. Next up will
15 be Mario DeBernardo. After him will be Oren Weiner. And I
16 remind you to please spell your first and last name and
17 indicate your affiliation, if you have one.

18 So, Mario, your line is open. Please begin.

19 MR. DEBERNARDO: Good afternoon. Mario
20 DeBernardo with the Southern California Public Power
21 Authority. The last name is D-e-B-E-R-N-A-R-D-O. I'm the
22 Government Affairs Director for SCPPA. And I just, very
23 briefly, want to express my appreciation -- well, the
24 Agency's appreciate to the Commission and Staff for their
25 hard work through this process, working with the

1 stakeholders to come up with a regulatory proposal that is
2 more workable for the POU.

3 SCPPA members, as well as the general POU
4 community, take their responsibilities to meet the state's
5 clean energy goals very seriously. RPS is, obviously, a
6 big part of that. And an important aspect of the program
7 is to ensure that it is able to accommodate the differences
8 and the special natures of the POU.

9 So we appreciate that the Commission and the
10 staff took the time to work with the stakeholder groups,
11 including SCPPA, to make, like I said, the proposal more
12 workable, so thank you very much.

13 MS. GALLARDO: Thank you, Mario.

14 This is Noemi, the Public Advisor. We'll now go
15 to Oren Weiner. And after Oren will be Matt Freedman.

16 Oren, we're going to open up your line. And
17 please make sure to spell your first and last name.

18 All right, I'm waiting for the line to be opened
19 up for Oren Weiner.

20 Oren, if your line is open, please feel free to
21 begin.

22 COMMISSIONER DOUGLAS: Noemi, we got a chat
23 saying that Oren does not wish to speak.

24 MS. GALLARDO: Thank you so much. I appreciate
25 that. Okay.

1 So we will move forward to hear from Matt
2 Freedman.

3 MR. FREEDMAN: Hi. This is Matt Freedman.

4 MS. GALLARDO: Or Matthew Freedman. Excuse me.

5 MR. FREEDMAN: Hi.

6 MS. GALLARDO: Go ahead.

7 MR. FREEDMAN: This is Matthew Freedman,
8 M-A-T-T-H-E-W F-R-E-E-D-M-A-N, speaking on behalf of The
9 Utility Reform Network. And I want to offer our support
10 for the proposed Renewable Portfolio Standard Regulations.

11 The success of the RPS Program is contingent upon
12 the development of carefully crafted regulations that
13 faithfully implement the intent of the underlying statutory
14 provisions, provide appropriate flexibility for market
15 participants and load-serving entities, and prevent
16 loopholes that would otherwise permit market participants
17 to engage in practices that undermine the achievement of
18 core program objectives. The proposed regulations manage
19 to accomplish all of these goals with respect to the
20 publicly-owned utilities.

21 The extensive and exhaustive process associated
22 with the development of the proposed regulations has
23 allowed the Commission to consider views from a range of
24 stakeholders. We appreciate the thoroughness of the
25 process and, in particular, the incorporation of language

1 to address a variety of concerns raised by public interest
2 representatives, like TURN.

3 The implementation of the long-term contracting
4 requirement established pursuant to Senate Bill 250, as
5 you've heard, has been a central flashpoint for
6 disagreement between the stakeholders. And despite initial
7 disagreements, TURN worked collaboratively with
8 representatives from the POU community to develop a
9 compromise proposal that balances a variety of competing
10 considerations. I'm happy that the final regulations
11 reflect key elements of this compromise proposal, and they
12 represent a meaningful approach to ensuring that only
13 legitimate long-term procurement commitments will be
14 eligible to meet the compliance obligation.

15 I want to thank the program Staff and
16 Commissioner Douglas for all the hard work they put in and
17 the diligence that they demonstrated in the development of
18 these regulations. Their sustained efforts to ensure that
19 the regulations comprehensively addressed the key issues
20 are greatly appreciated.

21 And, as other commenters have noted, I'll just
22 say that based on my 20 years of experience dealing with
23 Gabe Herrera, he is worthy of all the praise you've heard.
24 I'll just pile on and offer my congratulations to him for
25 many years of his high-quality contributions to the Energy

1 Commission and to the State of California.

2 Thank you.

3 MS. GALLARDO: Thank you.

4 The is Noemi Gallardo, Public Advisor. So next
5 up I have Barry Moline or Barry Moline. And after that
6 will be Steve Uhler.

7 Barry, your line is open. You may begin.

8 MR. MOLINE: Thank you. I'm Barry Moline,
9 B-A-R-R-Y M-O-L-I-N-E. I'm the Executive Director of the
10 California Municipal Utilities Association. And I'd like
11 to sincerely thank the Commission and Staff for all their
12 work to develop these regulations.

13 And looking back to joint POU agencies of CMUA,
14 NCPA, and SCPA had significant concerns with the second
15 15-day language. But through the collaborative stakeholder
16 process that Commissioner Douglas and Staff led, there were
17 major improvements. With these changes we're able to
18 support the regulations as amended by this third 15-day
19 language.

20 Our joint POU comment did request some minor
21 clarifications. We believe that an explanation in the
22 final Statement of Reasons will be sufficient and that
23 these issues do not merit any further changes to the
24 regulations being considered.

25 We urge the Commission to adopt the regulations

1 today. And we look forward to continuing to work with the
2 Commission as we progress into the future.

3 And that concludes my remarks. Thank you and
4 happy holidays.

5 MS. GALLARDO: Thank you, Barry.

6 Next up we have Steve Uhler.

7 MR. UHLER: Hello.

8 MS. GALLARDO: Your line is open, Steve. Please
9 begin.

10 MR. UHLER: Hello. My name is Steve Uhler,
11 S-T-E-V-E U-H-L-E-R.

12 I'd like to echo San Francisco Public Utilities
13 Commission's sentiments on the exclusion under 39930(c)(4),
14 and also note that WREGIS is not a place for somebody to
15 identify legal title to certificates in their terms, as
16 stated in their terms of service.

17 So, yeah, how would a business or anybody know
18 whether or not they are -- they actually have or own this.
19 Since this appears to allow mandating of somebody's
20 account, and that's mandating, as in the dictionary, that
21 you're allowed to make transactions on another person's
22 bank account.

23 Also, I'm concerned about how relevant this will
24 be, particularly since you don't use the same test that the
25 court's use to determine when electricity is a product.

1 Renewable energy credits are generated and
2 measured on the high side of a transformer. I don't know
3 anybody, any end user, who can use voltages at that level.

4 So -- and all, according to WREGIS rules, all
5 renewable energy credits are unbundled from electricity.
6 So I'm concerned about the temporal issue under 39930(c)(4)
7 for proximity of are you going to count in the exact hour
8 that the participant would be using electricity to
9 determine that it's actually bundled?

10 So, let's see, what else do I got here?

11 Yeah, in particular, I am amazed. You know,
12 maybe it's the difference between using Westlaw versus
13 Witkin, that you don't have anything to show, according to
14 your public librarian, that you ever considered that the
15 courts, through decisional law, do not consider electricity
16 a product until it crosses a meter at the end use point.

17 I want to work out -- you should be aware that
18 even though we reach, quote, "60 percent renewables in
19 2030," it's going to have to be heavily de-rated because
20 it's not going to displace 60 percent of fossil fuel.

21 So I urge you to at least table this or go back
22 and rethink this and, particularly, tell the public what is
23 a product as electricity is termed in your rules?

24 Thank you.

25 MS. GALLARDO: This is Noemi, the Public Advisor.

1 Chair, that was the final comment, so I'll turn
2 it over to you.

3 CHAIR HOCHSCHILD: Well, let me thank all the
4 members of the public for those comments. And let's turn
5 to Commissioner discussion, starting with Commissioner
6 Douglas.

7 COMMISSIONER DOUGLAS: Sorry. I was battling my
8 un-mute button there.

9 So I want to also thank Katharine for her very
10 thorough presentation. It really did take that long to
11 cover the substantive portions of what we're presenting
12 today. And also thank the public commenters.

13 And I thought it would be helpful if I just ask
14 Katharine to respond to one or two of the comments that
15 came up today, particularly the one raised by SFPUC, and
16 also the electricity product issue, and anything else,
17 Katharine, that you think would be helpful?

18 MS. LARSON: Great. Thank you. Sure.

19 So in response to the comment from SFPUC, I just
20 want to clarify that Staff has found RECs retired for
21 purposes of the Low Carbon Fuel Standards are monetized as
22 both LCFS RECs -- or excuse me, LCFS credits that are
23 issued have a monetary value and can be traded or sold for
24 monetary gain and are directly affected by the quantity of
25 RECs retired.

1 We will respond to all the other examples that
2 were raised of other programs in the final Statement of
3 Reasons. But we found that any economic benefits
4 associated with those other programs would be indirect and
5 not based on monetization of the retired RECs themselves,
6 so that's the difference there.

7 Regarding the comment about electricity products,
8 I do want to clarify that the CEC's regulations already
9 define electricity products for purposes of the RPS. And
10 that definition is consistent with how the term is used in
11 the RPS code sections that establish the portfolio balance
12 requirement and the RPS POU procurement requirements.

13 The case that has been mentioned doesn't deal
14 with the definition of electric vehicle products for
15 purposes of the RPS. It does have a definition to
16 determine when electricity becomes a product for purposes
17 of strict liability for defective products. But that case
18 isn't controlling with respect to the definition of
19 electricity products that are used for purposes of RPS
20 compliance.

21 COMMISSIONER DOUGLAS: Anything else or --

22 MS. LARSON: I don't think so.

23 COMMISSIONER DOUGLAS: All right. I had a few
24 comments I'd like to make.

25 Are there any other clarifying questions from my

1 colleagues before I do that? I don't see anybody.

2 COMMISSIONER MCALLISTER: Not to -- I'll just --
3 I did get a briefing, so the presentation here was
4 consistent with the in-depth briefing that I got, so
5 appreciated that.

6 COMMISSIONER DOUGLAS: Fantastic. Thank you.

7 So I just wanted to say a few things about the
8 proposal.

9 First of all, as has been noted, this rulemaking
10 was a long process, it was a very intensive process, and it
11 was very complex. The issues covered were very complex.
12 The diversity of the POUs and just the reconciliation of
13 many different requirements, and also over the time that
14 this package was in process, actual changes to the
15 statutory framework that had to be addressed, all made this
16 a real effort.

17 I want to thank Katharine for the presentation
18 and for her superb work in this process. She's been
19 amazing. And I don't exactly know how anyone can hold all
20 of this together in their head at the same time but
21 Katharine seems to.

22 I also want to thank Natalie, Gina, Armand, Greg,
23 Teresa, and others in RED for their hard work and diligence
24 on this package, as well as the legal team, Gabe, of
25 course, as well as Nick Oliver, Jimmy Qaqundah, and Chair

1 Hochschild's team, who worked on this before I took over as
2 Lead Commissioner.

3 One of the most challenging aspects of this
4 rulemaking was crafting reasonable regulations that were
5 informed by real-world circumstances and examples to
6 implement the long-term procurement requirement, and you've
7 heard a number of stakeholders speak to that here. This
8 included determining what is and is not a long-term
9 requirement, and how can you tell, and maintaining the
10 ability of the POUs to meet their contracting needs and to
11 procure what they need to procure in a world where project
12 developers have their own needs and requirements. And
13 sometimes you have multiple entities pulling together to
14 help a project come to fruition.

15 And it was not easy to find the balance that
16 these regulations, these proposed regulations strike, and
17 the complexity of them reflects that. I think it was
18 really the willingness and commitment of our stakeholders,
19 particularly the POU representatives and TURN, working with
20 Energy Commission staff to get us over that final challenge
21 of reconciling our approach on the long-term procurement
22 issue in a way that has the protections that we need,
23 preserves and meets the needs of the POUs, and is
24 implementable and capable of being applied by the Energy
25 Commission in a reasonable way.

1 And one of the things that gives me the most
2 comfort and satisfaction out of the process that we just
3 went through, which was very intensive, particularly
4 towards the end, as has been referenced, is that I really
5 feel like all of us, the stakeholders, the interested
6 public interest community, the POU's, the Energy Commission
7 staff and attorneys are really on the same page with what
8 we're looking for now. And that's going to help us
9 tremendously as we move forward into implementation, so I'm
10 very happy about that. I want to thank, again, the
11 stakeholders for their participation in the development of
12 this package.

13 And so I'm ready. I'm prepared to make a motion
14 on this package. I'll just pause a moment and see if my
15 colleagues would like to add anything?

16 CHAIR HOCHSCHILD: Are there any other
17 Commissioners wishing to make a comment?

18 Vice Chair Scott?

19 VICE CHAIR SCOTT: Yeah. I just wanted to jump
20 in right quick and also kind of echo something that you
21 just heard Commissioner McAllister say. I had a chance to
22 review in detail the materials, including the comments, the
23 handful of comments that came in, you know, late last week
24 on the third iteration of the 15-day language. And I also
25 got a really thorough briefing on all of the details of

1 this program. It is quite complex.

2 And so with that, I wanted to say, thank you to
3 Commissioner Douglas for her leadership on this, and also
4 to Katharine and the whole team for putting this package
5 together in the way that they did and bringing it across
6 the finish line.

7 CHAIR HOCHSCHILD: Thank you, Vice Chair.

8 Unless there are comments from Commissioner
9 Monahan, Commissioner Douglas, would you be willing to move
10 the item?

11 COMMISSIONER DOUGLAS: Yes. And my notes say I
12 should first move the Negative Declaration for this
13 package; is that correct? Anybody?

14 CHAIR HOCHSCHILD: Darcie, can you speak to that?

15 MR. HERRERA: That's correct, Commissioner
16 Douglas. This is Gabe.

17 COMMISSIONER DOUGLAS: All right. Thank you,
18 Gabe.

19 So I'll start by moving the -- moving approval of
20 the Negative Declaration for this rulemaking package for
21 RPS.

22 CHAIR HOCHSCHILD: Okay. Vice Chair Scott, would
23 you be willing to second that?

24 VICE CHAIR SCOTT: Yes, I second.

25 CHAIR HOCHSCHILD: Okay. All in favor, say aye.

1 Commissioner Douglas?

2 COMMISSIONER DOUGLAS: Aye.

3 CHAIR HOCHSCHILD: Vice Chair Scott?

4 VICE CHAIR SCOTT: Aye.

5 CHAIR HOCHSCHILD: Commissioner McAllister?

6 COMMISSIONER MCALLISTER: Aye.

7 CHAIR HOCHSCHILD: Commissioner Monahan?

8 COMMISSIONER MONAHAN: Aye.

9 CHAIR HOCHSCHILD: And I vote aye as well. That

10 item passes unanimously.

11 Commissioner Douglas, did you want to move the

12 other item?

13 COMMISSIONER DOUGLAS: Yes. Yes. So now I move

14 approval of the modification of regulations specifying

15 enforcement procedures for the Renewables Portfolio

16 Standard for publicly-owned utilities.

17 CHAIR HOCHSCHILD: Thank you.

18 Vice Chair Scott, are you willing to second that?

19 VICE CHAIR SCOTT: Yes, I second that.

20 CHAIR HOCHSCHILD: Okay. All in favor, say aye.

21 Commissioner Douglas?

22 COMMISSIONER DOUGLAS: Aye.

23 CHAIR HOCHSCHILD: Vice Chair Scott?

24 VICE CHAIR SCOTT: Aye.

25 CHAIR HOCHSCHILD: Commissioner McAllister?

1 COMMISSIONER MCALLISTER: Aye.

2 CHAIR HOCHSCHILD: Commissioner Monahan?

3 COMMISSIONER MONAHAN: Aye.

4 CHAIR HOCHSCHILD: And I vote aye as well. That
5 item passes unanimously.

6 Let me thank all of the stakeholders for
7 participating, and especially Katharine. This was an
8 incredibly heavy lift that may be the most lengthy
9 presentation we've had in the last few years, but it was
10 because it needed it, and there's many, many different
11 facets to this. So thank you to you and all your team for
12 all of the hard work, getting through those details.

13 Let's turn now to item five, Energy Conservation
14 Assistance Act, Education Subaccount.

15 MS. REMY-OBAD: Hello. Good afternoon, Chair
16 Hochschild and Commissioners. My name is Camille Remy-
17 Obad. I'm with the Renewable Energy Division's Local
18 Assistance and Finance Office. And I'm here to request
19 your approval for two Energy Conservation Assistance Act
20 Education Finance Program, and that's quite the mouthful so
21 we call it ECAA-Ed, loan agreements, one with the Monson-
22 Sultana Joint Union Elementary, and the other with the
23 Golden Plains Unified School District.

24 Next slide please.

25 So ECAA loan benefits to California include

1 energy efficiency and renewable energy generation which
2 lowers utility bills and promotes a clean energy economy.
3 These loans are investments in energy projects located in
4 areas where low-income and disadvantaged communities
5 reside. Energy projects also benefit a healthy living
6 environment.

7 Next slide please.

8 So the Monson-Sultana Joint Union Elementary is
9 proposing to finance an energy project using a zero percent
10 interest loan in the amount of \$690,508. Staff has
11 reviewed the supporting documentation and concur that this
12 project is technically sound. The project involves
13 installing a ground-mounted 150 kilowatt PV solar array at
14 the elementary school site.

15 Next slide please.

16 The Golden Plains Unified School District is
17 proposing to finance an energy project using a zero percent
18 interest loan in the amount of \$534,990. Staff CHAIR
19 ABARBANEL: also reviewed the supporting document and
20 concur that this project is also technically sound. The
21 project replaces lightbulbs and light fixtures with
22 upgraded high-efficiency LED lighting totaling 278 exterior
23 and 3,121 interior lights. The improved lighting saves
24 energy and costs, in addition to providing for a healthier
25 learning environment within the classrooms, benefitting

1 both students and educators at six school sites, plus the
2 school district's administrative office.

3 Next slide please.

4 The Monson-Sultana Joint Union Elementary project
5 is saving approximately 319,000 kilowatt hours of
6 electricity annually, resulting in a projected annual cost
7 savings of \$61,700. The Golden Plains Unified School
8 District energy efficiency project is saving approximately
9 280,500 kilowatt hours of electricity annually, resulting
10 in a projected annual cost savings of \$81,000. The
11 repayment term for the Monson-Sultana loan is approximately
12 11 years. The repayment term for the Golden Plains loan is
13 approximately seven years. Both loan repayment terms are
14 well within the 20-year ECAA-Ed repayment requirements.

15 Next slide please.

16 Legal Staff has found these projects are exempt
17 from the California Environment Quality Act. And the
18 Energy Commission Staff recommend approval for these loans.

19 I thank you for your consideration. If you have
20 any questions, we would be happy to answer them.

21 CHAIR HOCHSCHILD: Thank you, Camille.

22 Madam Public Advisor, do we have any public
23 comment?

24 MS. GALLARDO: This is Noemi, the Public Advisor.
25 There are no public comments for this item.

1 CHAIR HOCHSCHILD: Thank you.

2 Now let's turn to Commissioner discussion,
3 starting with Commissioner McAllister.

4 COMMISSIONER MCALLISTER: Yeah. Hey, so you are
5 all familiar with the ECAA programs in its various flavors.
6 Thanks, Camille, for that, another couple of good projects.

7 I really like to see schools in the San Joaquin
8 Valley, well, these are down around Fresno, roughly. And,
9 obviously, these are the kinds of areas we want to target
10 and, hopefully, can build on with AB 841 implementation and
11 get some additional resources to those schools. And I
12 don't have anything further to say about these.

13 It's good to see both EV and lighting.
14 Obviously, solid investments at this point. And good to be
15 able to offer these no-interest loans to the schools.

16 So I'll move this item, if there are no further
17 comments.

18 CHAIR HOCHSCHILD: Seeing no comments from my
19 colleagues, let's go ahead and move the item.

20 COMMISSIONER MCALLISTER: I'll move item five.

21 CHAIR HOCHSCHILD: Okay. Let's see, Commissioner
22 Douglas, would you be willing to second?

23 COMMISSIONER DOUGLAS: Yes, I second.

24 CHAIR HOCHSCHILD: Okay. All in favor, say aye.

25 Commissioner McAllister?

1 COMMISSIONER MCALLISTER: Aye.

2 CHAIR HOCHSCHILD: Commissioner Douglas?

3 COMMISSIONER DOUGLAS: Aye.

4 CHAIR HOCHSCHILD: Vice Chair Scott?

5 VICE CHAIR SCOTT: Aye.

6 CHAIR HOCHSCHILD: Commissioner Monahan?

7 COMMISSIONER MONAHAN: Aye.

8 CHAIR HOCHSCHILD: And I vote aye as well. Item
9 five passes unanimously.

10 Let me thank the staff and the stakeholders for
11 working on that.

12 The one other thing I would add is that in the
13 stimulus package that just passed, actually, they got an
14 extension of the solar tax credit, a two-year extension of
15 the ITC of 26 percent with a commence construction clause
16 that goes through 2025, so effectively, you know, a five-
17 year tax credit. So for, you know, a lot of the solar
18 projects going forward, that's, you know, that's going to
19 help reduce costs, so that's a new development.

20 Thank you.

21 Let's turn now to item six, approval of the
22 December 9th business meeting minutes.

23 MS. GALLARDO: This is Noemi Gallardo, the Public
24 Advisor. We do have someone wanting to make public comment
25 on this item.

1 CHAIR HOCHSCHILD: Okay.

2 MS. GALLARDO: That would be Steve Uhler.

3 Steve, your line is open. Please begin.

4 MR. UHLER: Hello. Steve Uhler here.

5 A question about item 13, public comments in the
6 minutes, it says there was none. But pursuant to Title 20,
7 I requested the Public Advisor to relate my points. I want
8 to confirm why the minutes don't show my name there?

9 CHAIR HOCHSCHILD: Okay. Thank you. Was that
10 your only comment, sir?

11 MR. UHLER: Well, no. No. I'll continue. I was
12 expecting a response. I'm taking it that you don't
13 recognize that I made a public comment at the meeting, that
14 it didn't happen. So perhaps you can further inquire into
15 the Public Advisor why she didn't relate my comments,
16 actually, in the last few meetings.

17 So, yeah, that's my point. You can vote for it.
18 That will confirm that she did not relate my comments.

19 Thank you.

20 CHAIR HOCHSCHILD: Darcie, sorry, were you going
21 to say something?

22 MS. HOUCK: Chair, we can check with the Public
23 Advisor. I'm not sure if that was a docketed comment that
24 Mr. Uhler is referring to.

25 MR. UHLER: Well, ma'am, am I still heard?

1 CHAIR HOCHSCHILD: Yeah.

2 MR. UHLER: What's the docket have to do with it?
3 The docket is not publicly relating in a meeting, so she
4 should not be -- she proposed that because I put something
5 in the docket, apparently even the public can't come and
6 then point you to that item in the docket just by saying,
7 hey, you know, did you read my item in the docket? That's
8 basically what she's saying.

9 I was in a similar discussion with the prior
10 Public Advisor when I later found out she had left the
11 Energy Commission on the same subject.

12 MS. HOUCK: Chair --

13 MR. UHLER: So --

14 MS. HOUCK: -- this is --

15 MR. UHLER: -- yeah, this is a tough time for us
16 folks out here. We don't get to come down there and sit
17 and look you in the eye. You should at least --

18 CHAIR HOCHSCHILD: Let's let --

19 MR. UHLER: -- make sure your Public Advisor --

20 CHAIR HOCHSCHILD: -- let's let Darcie respond.

21 MR. UHLER: -- sticks to Title 20.

22 CHAIR HOCHSCHILD: Yeah. Thank you. Let's let
23 Darcie --

24 MR. UHLER: Is somebody talking over me?

25 CHAIR HOCHSCHILD: Darcie --

1 MS. HOUCK: Chair --

2 CHAIR HOCHSCHILD: -- go ahead.

3 MS. HOUCK: -- we thought Mr. Uhler's commented
4 noted for today's meeting. And we will follow up with the
5 Public Advisor and get back to Mr. Uhler to clarify the
6 process and distinction between the docket and the public
7 comments.

8 CHAIR HOCHSCHILD: Okay. Thank you, Darcie.

9 MR. UHLER: Okay. Well, I just want to know that
10 the Commission actually would -- by accepting that, is
11 approving her taking this position on that. You're the
12 Chair. You're the guy who signs your name to telling us
13 that we can't talk on items that you may later vote on, so
14 I want to know.

15 CHAIR HOCHSCHILD: Okay. Thank you.

16 MS. HOUCK: Chair, just for --

17 CHAIR HOCHSCHILD: Yeah, go ahead.

18 MS. HOUCK: Yeah.

19 CHAIR HOCHSCHILD: Go ahead, Darcie.

20 MS. HOUCK: We'll get back to him.

21 MR. UHLER: This is an agenda item. You can
22 speak on it. You can talk to whether or not that was
23 properly done or whether the meeting minutes are wrong.

24 MS. HOUCK: And you've done that, Mr. Uhler, so I
25 just am clarifying for the Chair. So I think that's the

1 comments that we have for today. And I don't want to get
2 into a back and forth with you on this, sir --

3 MR. UHLER: Okay. Just as long as you put it in
4 writing --

5 MS. HOUCK: -- so thank you.

6 MR. UHLER: -- in the docket exactly, because I
7 do not want any verbal anything. I want it in writing
8 explaining why she didn't publicly relate my points at
9 those two meetings.

10 Thank you.

11 CHAIR HOCHSCHILD: Thank you, Mr. Uhler.

12 Okay, are there any public comments on item six,
13 Noemi?

14 MS. GALLARDO: This is Noemi, the Public Advisor.
15 There are no more public comments.

16 CHAIR HOCHSCHILD: Thank you.

17 Can we get a motion to approve item six? Maybe,
18 Vice Chair Scott, would you be willing to move that item?

19 VICE CHAIR SCOTT: Yes. I move approval of item
20 six.

21 CHAIR HOCHSCHILD: Okay, Commissioner Douglas,
22 would you be willing to second?

23 COMMISSIONER DOUGLAS: I second.

24 CHAIR HOCHSCHILD: All in favor, say aye.

25 Vice Chair Scott?

1 VICE CHAIR SCOTT: Aye.

2 CHAIR HOCHSCHILD: Commissioner Douglas?

3 COMMISSIONER DOUGLAS: Aye.

4 CHAIR HOCHSCHILD: Commissioner McAllister?

5 COMMISSIONER MCALLISTER: Aye.

6 CHAIR HOCHSCHILD: Commissioner Monahan?

7 COMMISSIONER MONAHAN: Aye.

8 CHAIR HOCHSCHILD: And I vote aye as well. Item
9 six passes unanimously.

10 Let's move on to item seven, Lead Commissioner or
11 Presiding Member Reports.

12 Let's start with Commissioner Monahan.

13 COMMISSIONER MONAHAN: Yeah. I'll just be brief.

14 So we're -- the team has drafted the AB 2127
15 Report, which you all probably remember is the analysis of
16 changing needs. And originally, it was just for 5 million
17 EVs.

18 And then I'm very happy to report that the team
19 has actually, together with using some data from the Air
20 Resources Board, looked at the charging needs for meeting
21 the new executive order, and at least through 2030. And
22 so, hopefully, this will be published in the next several
23 weeks, maybe as soon as the end of this calendar year. And
24 we're also -- the team is also publishing AB 8 report on
25 hydrogen.

1 So I think that, you know, as we look forward to
2 the upcoming year and to the success that the Clean
3 Transportation Program only has until 2023 of funding, I
4 think these reports are really setting us up for really
5 identifying the infrastructure needs to be able to meet our
6 targets for zero-emission vehicles.

7 And together with that, we also, I think I kind
8 of mentioned in the past, that we have -- we're working
9 with an EV Charging Infrastructure Strike Force that I'm
10 co-chairing with Kathy Zoe (phonetic) and working with
11 Chief Counsel's Office to figure out what kind of format
12 makes the most sense for the Strike Force. And we're
13 looking at having it be a BK (phonetic) group eventually.
14 And, you know, just really wanting to make sure that we are
15 strategically using that group and the Fuel Cell
16 Partnership to ensure that we have the right set of
17 partners to be able to meet our goals for expanding both
18 charging infrastructure and hydrogen refueling
19 infrastructure.

20 So I think that this is a big issue for today.

21 CHAIR HOCHSCHILD: Thank you, Commissioner.

22 Let's move on to Commissioner McAllister.

23 COMMISSIONER MCALLISTER: Yeah, just briefly.

24 You know, we gave our thank yous last time. And this is --
25 so we want to keep this meeting short. I won't go into

1 lots more detail on all the great that have happened over
2 the course of the year.

3 I do want to just highlight that Staff and the
4 Efficiency Division and the Assessments Division have been
5 working together on the Building Decarbonization Report
6 that is sort of entering the homestretch, a lot of great
7 modeling and a lot of great sort of background there in
8 modeling. And then some really kind of, I think, bold
9 directions that we're going to take in building
10 decarbonization, both for new and existing buildings.
11 That's the AB 3232 Report that Assembly Member Friedman
12 passed a couple years ago that targets 40 percent below
13 1990 levels for building decarbonization for building-based
14 emissions by 2030.

15 So I want to just thank my staff, Bill O'Brien,
16 Fritz, and the whole joint division's staff that's been
17 working on this report. And I think it's going to provide
18 a good foundation for our discussion next year in the IEPR
19 where we'll expand on the building decarbonization which,
20 obviously, is a key strategy for the state going forward
21 with the climate urgency that we're seeing.

22 So, anyway, just wanted to highlight that. And
23 we'll be seeing that in the coming weeks, okay?

24 Thanks very much.

25 CHAIR HOCHSCHILD: Thank you, Commissioner.

1 Let's go on to Vice Chair Scott.

2 VICE CHAIR SCOTT: All right. Just a couple of
3 brief updates for you all since last time.

4 Believe it or not, we had our 45th anniversary
5 which was wonderful. We had a business meeting after that,
6 so we had a nice chance to talk about that with each other.

7 After that, though, we did the Clean Energy Hall
8 of Fame awards. And I just wanted to note how much fun
9 those were, how inspirational those were. It is so
10 wonderful how many people all around California are working
11 every day to create jobs, to bring more clean energy, and
12 to really just help us move in the right direction in terms
13 of getting clean energy, which helps address climate change
14 and clean air. And I was just really inspired by all of
15 the folks that we had an opportunity to meet and to honor
16 at the Hall of Fame Awards.

17 I imagine, Chair Hochschild, you or our Madam
18 Advisor Public Advisor Noemi might talk about that a little
19 bit more. But I just wanted to also note how much fun that
20 was.

21 And with that, I will also just be brief in my
22 remarks as well. I want to wish everybody a really healthy
23 and safe, restorative, very, very happy holiday season, and
24 a happy new year. It's been quite a 2020. But, yeah, just
25 relaxation, restoration, everyone stay safe and healthy,

1 and happy new year.

2 CHAIR HOCHSCHILD: Well said, Vice Chair.
3 Commissioner Douglas?

4 COMMISSIONER DOUGLAS: I have no report. I'll
5 just pile onto Janea's wishes for the holidays and the new
6 year.

7 Thank you.

8 CHAIR HOCHSCHILD: Thank you.

9 Yeah, I'll just add that it was really special to
10 do this Clean Energy Hall of Fame Awards. We've been
11 wanting to do that for a number of years. And I am really,
12 really excited about that. I think there are so many
13 inspiring people on the front line. You think about the
14 people who got honored, I mean, Pam Quan spends most days
15 on a 45-degree pitch roof, you know, putting on solar. And
16 these are folks who are just so inspirational but don't get
17 the attention they deserve.

18 And so this is going to be an annual event. And
19 we're going to keep honoring people, really, on the front
20 lines who represent, you know, all corners of the state in
21 all types of work.

22 And I want to just especially thank Noemi for
23 partnering on that. It was just phenomenal.

24 And Vice Chair Scott for an equally beautiful and
25 inspirational 4th Anniversary Symposium. Just to see the

1 sweep of history from CEC over the years, that video that
2 you worked with the media team to produce was just
3 magnificent. And so thank you for relating that for the
4 Commission.

5 I have no additional updates from last meeting.
6 I just wanted to offer my congratulations to Alex Padilla,
7 who was named Senator by the Governor. I met him 25 years
8 ago. We both did the (indiscernible) together. And he was
9 impressive then, he's impressive now, and has had an
10 incredible run at the State Senate and as Secretary of
11 State, and I think going back to (indiscernible)
12 Congressional Delegation representing California in the
13 U.S. Senate. Really proud of his work and look forward to
14 what he'll do for the people of California in this overall
15 aisle (phonetic).

16 So I want to just recognize Ana O'Leary, who
17 served as Chief of Staff for Governor Newsome for that last
18 two years. That job, I think, is the hardest job in the
19 state. And doing it in 2020, you know, you deserve a
20 medal, just an incredible volume of issues you got to deal
21 with, and challenges, and so really grateful for her
22 service. And I'm sure we'll be crossing paths in the
23 future.

24 So that was it on my end.

25 Let's turn now to item eight, Executive

1 Director's Report.

2 EXECUTIVE DIRECTOR BOHAN: Good afternoon
3 Commissioners. Drew Bohan here.

4 I just want to say happy holidays to everyone,
5 Staff, you guys, and everybody who participated in this
6 meeting. Take care.

7 CHAIR HOCHSCHILD: Okay. Thank you.

8 Public Advisor's Report.

9 MS. GALLARDO: Hi there. Sorry about this. This
10 is Noemi, the Public Advisor.

11 I just wanted to give a big thank you to the
12 public for being patient with us and cooperating as we
13 figured out how to go virtual. And also appreciate the
14 feedback that I have received from the public about how we
15 can be better and just serve Californians in a, you know,
16 more equitable way.

17 So with that, I will conclude my report.

18 CHAIR HOCHSCHILD: Okay. Thank you.

19 Before we go item ten, I just wanted to say, one
20 thing the Vice Chair mentioned, I just wanted to
21 reemphasize it for Staff especially, just really try to GE
22 to some rest this holiday and restore. This has been an
23 incredibly intense and exhausting year. I feel it myself.
24 I know I speak for all my fellow Commissioners, you know,
25 on that point. We've all been working just enormously hard

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1 and very, very productively and fruitfully. The amount of
2 things that got over the finish line this year is
3 extraordinary.

4 And next year, you know, we're going to be moving
5 close to three-quarters of a billion dollars of grants for
6 all sorts of good stuff, from schools to building
7 decarbonization to EV charging and so much more, solar
8 microgrids on tribal lands, and all that. So we all need
9 to rest. It is a marathon and not a hundred yard dash.
10 And so I hope, really, for the staff on the line today,
11 take a breath, take a bow, and really try to recharge your
12 batteries and rest and restore.

13 So with that, let's move on to item ten, public
14 comment.

15 Do we have anyone wishing to make a public
16 comment on item ten?

17 MS. GALLARDO: So, yes, we do have one person on
18 the queue -- or in the queue, excuse me, for item number
19 ten, that is Steve Uhler.

20 So just give a reminder to please spell your
21 name. And your line is open, Steve. You may begin.

22 MR. UHLER: My name is Steve Uhler. And I wish
23 the Public Advisor would utilize the Title 20 where the
24 Public Advisor would simply introduce me without me
25 spending any time on it.

1 I'm very concerned about what happened in August,
2 mid August. You might remember, some people had their
3 power cut off with very short notice. And I've read the
4 Governor's letter to the Energy Commission, concerned about
5 your ability to forecast.

6 I've come a couple of times and talked about a
7 different approach you should take. And so I think I can
8 simplify how to identify whether or not your modelers have
9 even a chance of identifying what happened in August.

10 All the modelers that I've seen treat the grid as
11 batch and queue when the grid is just in time. In fact, as
12 we go to more renewables, it will become more and more just
13 in time.

14 Also, just as you passed your RPS enforcement
15 procedures for POUs, it's going to be very important for
16 the public to want to support that. How can the public
17 support a green pricing program where they're not actually
18 given a product? And I'm talking about a product that they
19 could sue over if they're injured by. Because if the state
20 doesn't think you can sue on it under strict liability,
21 it's not a product. So you need to correct that issue.

22 But very much -- and it's -- as far as back to
23 the modelers, it's very easy to tell if it's batch and
24 queue. Just count how many times they average something or
25 put a factor in there without any supporting evidence.

1 I've worked in -- as a manufacturing engineering
2 technologist for over 40 years. And you could easily have
3 predicted what was going to happen, what your margins were.
4 And more importantly, good resource planning would have
5 said, hey, why did you drop out a power plant, meanwhile
6 you're exporting power to other areas? So -- and, you
7 know, those are covered in the report that you and, I
8 guess, the PUC and others had done.

9 But you really need to consider moving away from
10 this batch and queue modelers. And if you need any help
11 with that, like I say, I have over 40 years of experience.
12 And if I could get some good, solid information, because
13 QFER doesn't even have all of the power plants that are --
14 that EIA has for the same type of over-megawatt power
15 plants. And so that's going to be a real problem. You
16 haven't identified everything. You can't possibly be
17 modeling everything that will go on.

18 So please pay attention to that. I stand at the
19 ready and hope to have plenty of information for you to get
20 you to change your mind on how you're even looking at some
21 of these modeling for the IEPR.

22 Thank you.

23 MS. GALLARDO: Thank you, Steve.

24 CHAIR HOCHSCHILD: Thank you.

25 MS. GALLARDO: This is Noemi, the Public Advisor.

1 We have one more person wanting to comment, that is Ben
2 Davis.

3 Your line is open, Ben. Please proceed.

4 MR. DAVIS: Thank you very much. Am I coming
5 across here?

6 CHAIR HOCHSCHILD: Yes, we can hear you.

7 MS. GALLARDO: Yes.

8 MR. DAVIS: Oh, good. This is Ben Davis. And
9 I'm a citizen of California. And I've also been very
10 active in the nuclear power movement in California. I've
11 attended all of the Energy Commission hearings post
12 Fukushima concerning nuclear power.

13 And because of my concerns about nuclear power, I
14 contacted your staff when the news hit about the hacking
15 that is currently gone on in America and asked whether or
16 not there was some way to find out if the Energy Commission
17 could consider whether or not Diablo Canyon could still be
18 operated safely considering this, whether or not we had
19 enough information about the hacking to determine whether
20 or not the power plant could be still operated safely? And
21 I asked if there was a way of requesting that Energy
22 Commission convene an emergency meeting, unless it can be
23 determined that the plant is safe, to convene an emergency
24 meeting to consider whether or not that was the case? And
25 they suggested that this hearing, this meeting that you're

1 having today, may be the appropriate time to ask you to do
2 so.

3 So that's what I am doing at the moment, is
4 asking you to consider whether or not an emergency meeting
5 to determine whether Diablo Canyon is safe to run, given
6 this hacking problem, might be in order? With that in
7 mind -- or perhaps you can suggest why there would be no
8 need to consider that? There might be something I'm
9 missing that would suggest that there's some other
10 appropriate channel, and that that has already been
11 determined?

12 So with that in mind, I'm going to read a few
13 questions into the record, and I would like you to answer
14 them today verbally, if you can, or tell me that you can't
15 today so that I'll know to wait for an answer later, or to
16 look into it further myself. These questions are as
17 follows.

18 Has the Energy Commission looked into whether
19 Diablo Canyon has been hacked? That's the first question.
20 And is there any specific evidence it has not been hacked?

21 Next, I wonder if PG&E uses software or hardware
22 that is from either of the companies -- any of the
23 companies that are involved? I can't remember their names
24 offhand, but there was a company in Texas, I understand,
25 that was sort of seminal to this whole problem. And I

1 wonder if PG&E uses that software or if the Energy
2 Commission is aware of whether or not they might use this
3 software?

4 And lastly, although I do have one other question
5 at the conclusion of my remarks, can anyone at this meeting
6 answer whether or not further study -- without further
7 study, at the moment, Diablo Canyon is worth the risk of
8 operating, given this whole hacking problem. Now,
9 potentially, if my understanding is correct, potentially,
10 Diablo Canyon can be shut off with -- as a fairly routine
11 matter. It's routinely shut down for maintenance. And
12 sometimes shuts itself down because of some kind of
13 mechanical problem. So I don't believe I'm asking for the
14 world in having somebody consider whether or not the plant
15 might be shut down while --

16 CHAIR HOCHSCHILD: Thank you, sir. Thank you.
17 Your three minutes have expired. And the public comment
18 period is not really intended for a meeting. It's really
19 intended for members of the public to state their comments.
20 And if you want to have a meeting, please follow up with
21 the Public Advisor afterward.

22 Let's move on to item 11, Chief Counsel's Report.

23 MS. HOUCK: Thank you, Chair. I just want to
24 echo some of the comments that were made earlier about the
25 challenges of this year and how impressed I am with my

1 staff and Commissioners and Executive Office stepping up.

2 And I'm very proud to be part of this team.

3 And with that, I wish everybody a happy new year.

4 And I have no further report.

5 CHAIR HOCHSCHILD: All right. Thanks everybody.

6 Happy holidays. Happy new year. See you in 2021.

7 (The Business Meeting adjourned at 3:10 p.m.)

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CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of January, 2021.



MARTHA L. NELSON, CERT**367

CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



January 13, 2021

MARTHA L. NELSON, CERT**367